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Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development

Outcome of the third International Conference on Financing for Development

Report of the Secretary-General

Summary

The present report, submitted pursuant to General Assembly resolution 69/208, summarizes the outcome of the third International Conference on Financing for Development. The report consists of five sections. The introductory section provides an overview of the preparation of the Conference and its outcome. The second section gives a brief description of the proceedings of the Conference. The third section presents a summary of the Addis Ababa Action Agenda adopted at the Conference. The fourth section discusses the revitalized global partnership for sustainable development and summarizes additional initiatives, commitments and deliverables announced in the context of the Conference. The final section summarizes the inputs by non-governmental stakeholders in support of the Conference, in particular the Civil Society Organizations Global Forum and the International Business Forum.

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I. Introduction

1. The third International Conference on Financing for Development was held in Addis Ababa from 13 to16 July 2015. The Conference was attended by 24 Heads of State and Government and their deputies, more than 100 Ministers for Finance, Foreign Affairs and Development Cooperation and deputies and other high-ranking Government officials from 174 countries. The heads of major financial, trade and development institutions and senior representatives of United Nations agencies and other international organizations and more than 600 civil society organizations and networks and 400 representatives of the business sector participated in the Conference.

2. The intergovernmental preparatory process of the Conference was launched in October 2014.[1] Pursuant to General Assembly resolution 68/279, the President of the sixty-ninth session of the Assembly, Sam K. Kutesa (Uganda), appointed George Talbot, Permanent Representative of Guyana to the United Nations, and Geir Pedersen, Permanent Representative of Norway to the United Nations, as co-facilitators to lead open, inclusive and transparent consultations on all issues related to the Conference.

3. The preparations for the Conference included a series of substantive sessions (see A/CONF.227/3) and informal interactive hearings with representatives of civil society (see A/CONF.227/4) and the business sector (see A/CONF.227/5) during the period from October 2014 to April 2015, and drafting sessions and informal consultations from January to June 2015. In addition, the United Nations regional commissions held regional consultations on financing for development in March and April 2015.[2] The outcomes of all those meetings served as inputs to the preparation of the draft outcome document of the Conference (A/CONF.227/6).

4. To support the intergovernmental preparatory process, the Secretary-General designated the Under-Secretary-General for Economic and Social Affairs, Wu Hongbo, as the Conference Secretary-General. The Financing for Development Office of the Department of Economic and Social Affairs of the Secretariat provided substantive support to the preparation and organization of the Conference, working closely with the host Government and all relevant stakeholders within and outside the United Nations system towards the success of the Conference.

5. The Conference resulted in the adoption of the intergovernmentally negotiated and agreed outcome, the Addis Ababa Action Agenda, which was subsequently endorsed by the General Assembly in its resolution 69/313 of 27 July 2015.

6. The Addis Ababa Action Agenda provides a strong foundation to support the implementation of the post-2015 development agenda. It includes a new global framework for financing sustainable development by aligning all financing flows and policies with economic, social and environmental priorities. Member States and other stakeholders also agreed on a comprehensive set of policy actions, with more than 100 concrete measures that draw upon all sources of finance, technology, innovation, trade, debt and data in order to support achievement of the sustainable development goals.

[1] See www.un.org/esa/ffd/ffd3/preparatory-process.html.

[2] See www.un.org/esa/ffd/ffd3/preparatory-process/regional-consultations.html.

7. The Action Agenda also serves as a guide for further actions by Governments, international organizations, civil society, the business sector and philanthropic organizations. Deliverables announced at the sideline meetings of the Conference, along with additional initiatives to be launched in the coming months, will further contribute to reaching the sustainable development goals. Although it is difficult to quantify all commitments made in the context of the Conference, owing to differences in methodologies used, it is estimated that a total amount of between half a trillion and a trillion dollars in resources could be made available for investment in sustainable development, much of it through development banks, with additional resources from the private sector.

8. Together, those efforts support a revitalized and strengthened global partnership for sustainable development that can end extreme poverty and deliver sustainable development for all.

II. Proceedings of the Conference

9. In accordance with General Assembly resolution 69/278, the official proceedings of the Conference (see A/CONF.227/20) consisted of eight plenary meetings and six multi-stakeholder round tables. The President of the Conference, Hailemariam Desalegn, Prime Minister of Ethiopia, opened the plenary debate. The Secretary-General, the President of the General Assembly and the executive heads of major institutional stakeholders of the financing for development process (the World Bank Group, the World Trade Organization (WTO), the United Nations Conference on Trade and Development and the United Nations Development Programme (UNDP)), as well as the Deputy Managing Director of the International Monetary Fund (IMF) and the Vice-President of the Economic and Social Council, spoke at the opening and second plenary meetings on the first day of the Conference.

10. In their statements, Member States and institutional stakeholders took stock of the progress made in the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development, identified obstacles and constraints in their implementation, and proposed actions and initiatives to overcome them. They also addressed new challenges and emerging issues, including the need to tap all sources of development finance, the importance of harnessing the synergies between financing objectives across the three dimensions of sustainable development and the need to support the post-2015 development agenda.[3]

11. In parallel to the plenary, six multi-stakeholder round tables were held on the themes of global partnership and the three dimensions of sustainable development and ensuring policy coherence and an enabling environment at all levels for sustainable development. Round table participation was at the highest level, including Heads of State and Government, Ministers, heads of the financial and trade international institutions, prominent academics, heads of non-governmental organizations and senior business representatives.[4]

12. At the opening of the Conference, a Main Committee was established to consider and finalize the draft outcome document of the Conference. The

[3] For the summary of plenary meetings, see www.un.org/esa/ffd/ffd3/index.html.

[4] For summaries of round tables, see www.un.org/esa/ffd/ffd3/index.html.

Conference elected by acclamation the Minister for Foreign Affairs of Ethiopia, Tedros Adhanom Ghebreyesus, as Chair of the Main Committee. The Main Committee successfully concluded its work on 15 July 2015. The Conference adopted the outcome document on 16 July 2015.

13. Many countries expressed strong support for the outcome. The European Union lauded the ambitious vision and comprehensive nature of the Addis Ababa Action Agenda, which in its view provided the means to deliver on the sustainable development goals. However, several delegations raised some reservations. The Group of 77 and China recognized the progress achieved in the Action Agenda, but also noted that a number of issues had not been adequately accommodated, including the principle of common but differentiated responsibilities and the need to fully upgrade the status of the United Nations Committee of Experts on International Cooperation in Tax Matters.

14. During the Conference, a total of 182 side events were organized by Member States, major institutional stakeholders, United Nations bodies and other intergovernmental organizations, as well as civil society, business sector and philanthropic organizations.[5] Apart from official meetings, side events provided a platform for Governments and other stakeholders to announce additional commitments and present new initiatives that complemented the actions contained in the Action Agenda.

15. Side events attracted high-level participation and covered a broad range of issues related to financing for development, such as domestic resource mobilization (24), private business and finance (18) and support for women and children (16). More than 10 side events focused on each of the following areas: climate and environment finance, food and water, infrastructure, health and international development cooperation. Other events discussed the role of development banks and issues in financing agriculture, energy, science and technology and urbanization.

16. Prior to the Conference, civil society organizations held, on 11 and 12 July 2015, a Civil Society Organizations Global Forum, which included discussions on all aspects of the financing for development agenda and culminated in the adoption of a forum declaration. Throughout the Conference, civil society organizations expressed their strong support for the change in status of the United Nations Committee of Experts on International Cooperation in Tax Matters to an intergovernmental body. In their assessment of the outcome document, they voiced concern over the lack of concrete commitments, as well as a perceived narrowing of the financing for development agenda with regard to systemic issues. However, they welcomed the creation of an annual Economic and Social Council forum on financing for development, which would provide space for continued engagement and further progress.

17. On 14 July 2015, the business sector held a one-day International Business Forum. Some 800 participants, including more than 400 representatives from the business sector, engaged in interactive dialogues on investing in the post-2015 sustainable development agenda. New concrete initiatives and partnerships were announced, including a new sustainable development investment partnership to mobilize $100 billion in private financing over five years for infrastructure projects in developing countries.

[5] For a list of side events, see www.un.org/esa/ffd/ffd3/index.html.

III. Addis Ababa Action Agenda

A new financing framework

18. The financing needed to achieve the 2030 agenda for sustainable development is extremely large, on the order of trillions of dollars annually. But the challenge is not insurmountable. Global public and private investment would be sufficient to address them, but only if financial resources are invested in and aligned with sustainable development. That requires public finance, policies and regulatory frameworks, unlocking the transformative potential of people and the private sector and incentivizing changes in consumption, production and investment patterns to support sustainable development.

19. The Addis Ababa Action Agenda presents a policy framework to realign financial flows with public goals. Official development assistance (ODA) remains crucial, particularly for countries most in need, but aid alone will not be sufficient. The Action Agenda addresses all sources of finance: public and private, domestic and international. As in the Monterrey Consensus, it recognizes that finance is not just about financing flows; it also depends on public policies that strengthen the national and international enabling environments. The Action Agenda reiterates the principle that countries have primary responsibility for their economic and social development, while committing the international community to create an enabling environment.

20. But the Action Agenda also goes beyond Monterrey to fully take into account the regulatory and other policy requirements for realizing all three dimensions — economic, social and environmental — of sustainable development in an integrated manner. The Action Agenda addresses the universal nature of the post-2015 development agenda and supports the implementation of the sustainable development goals. To tackle larger and more diverse financing needs, the Action Agenda offers a more nuanced understanding of the benefits and the risks associated with different types of finance.

21. The Action Agenda puts forward specific public policies and regulatory frameworks to encourage private investments that support the sustainable development goals. It stresses the importance of long-term investment and the need for all financing to be aligned with sustainable development. It spells out the potential contributions of public finance, highlighting the growing role of national, international and multilateral development banks. It emphasizes that the development and dissemination of technology, as well as capacity-building, are key means of implementation for the 2030 agenda for sustainable development. And it incorporates each of the means of implementation identified by the Open Working Group on Sustainable Development Goals.

Key initiatives

A new social compact to provide social protection and essential public services for all

22. More than 2.4 billion people still lack clean water and sanitation, 57 million of the world's children are not enrolled in school, and more than half the world's population lacks any social security coverage. As part of a new social compact, Governments commit to providing fiscally sustainable and nationally appropriate

social protection systems, including social protection floors. Governments are also encouraged to set nationally appropriate spending targets for quality investments in essential public services for all, including health, education, energy, water and sanitation. To that end, Governments agree to mobilize additional domestic public resources. At the same time, the international community commits to strong international support for those efforts.

A global infrastructure forum to bridge the infrastructure gap

23. Financing needed for basic infrastructure investment in developing countries is estimated to be between $1 trillion and $1.5 trillion annually. To address that financing gap, Member States agree to launch a global infrastructure forum, building on and better coordinating existing infrastructure initiatives. The forum will encourage a wider range of voices to be heard, particularly from developing countries. It will identify and address infrastructure and capacity gaps, with the aim of ensuring that no country or sector is left behind, and that the commitment to the social and environmental dimensions of sustainable development is respected.

A "least developed country package" to support the poorest countries

24. While ODA has risen, the share allocated to least developed countries has fallen by 16 per cent in recent years. As part of the Action Agenda, developed countries commit to reversing that trend. Developed countries are further encouraged to increase the target for ODA to the world's poorest nations to 0.2 per cent of national income, with the European Union promising to do so by 2030. Countries also agree to adopt or strengthen least developed country investment promotion regimes, including with financial and technical support. In addition, Governments aim to operationalize the technology bank for the least developed countries by 2017.

A technology facilitation mechanism to advance the sustainable development goals

25. The Action Agenda recognizes that the technology divide across a wide range of economic sectors makes it difficult for developing countries to achieve sustainable development. To help facilitate the development, transfer and dissemination of technologies relevant for achieving the sustainable development goals, Member States agree to establish a technology facilitation mechanism consisting of a United Nations inter-agency task team, an annual collaborative multi-stakeholder forum on science, technology and innovation for the sustainable development goals and an online platform.

Enhanced international tax cooperation to assist in raising resources domestically

26. Additional tax revenues are required to deliver the new social compact and finance sustainable development. Both improved domestic tax administration and strengthened international tax cooperation are essential to ensure that adequate finance is available. To support those efforts, countries agree to strengthen capacity-building, including through ODA. They also agree to support and strengthen existing international initiatives for tax cooperation, with a focus on the increased participation of developing countries. In that regard, Member States agree to strengthen the United Nations Committee of Experts on International Cooperation in Tax Matters.

Mainstreaming women's empowerment into financing for development

27. While much has been achieved over the past decade in terms of gender equality, such as in primary school enrolment and access to health care for women and girls, more remains to be done. There are significant differences in pay for equal work, women remain underrepresented in government and violence against women remains unacceptably common. The Action Agenda integrates gender consideration across all of its chapters. It emphasizes that women's empowerment can make a significant contribution to economic development for all. To that end, it commits countries to undertake legislation and administrative reforms to give women equal rights and promotes gender-responsive budgeting and tracking, among other measures.

28. Additional cross-cutting issues in the Action Agenda include scaling up efforts to end hunger and malnutrition; promoting inclusive and sustainable industrialization, full and productive employment and decent work for all and peaceful and inclusive societies; and protecting our ecosystem. The Action Agenda undertakes to draw upon a broad range of financing and technological modalities and combinations of modalities, as well as to utilize promising new areas of international cooperation to promote the delivery of the 2030 agenda for sustainable development, including the sustainable development goals. It highlights a set of broad initiatives whose policy content is elaborated in more detail in the ensuing sections.

Summary of the action areas

29. The Action Agenda includes agreements and policy recommendations in seven main areas: (i) domestic public resources; (ii) domestic and international private business and finance; (iii) international development cooperation; (iv) international trade as an engine for development; (v) debt sustainability; (vi) addressing systemic issues; and (vii) science, technology, innovation and capacity-building. The concluding section deals with data, monitoring and follow-up.

Domestic public resources

30. For all countries, public policies and the mobilization and effective use of domestic resources are central to the pursuit of sustainable development. Significant additional domestic resources, supplemented by international assistance, will be critical to realizing sustainable development and achieving the sustainable development goals. Countries commit to improving the fairness, transparency, efficiency and effectiveness of their tax systems, including by broadening the tax base and strengthening tax administration. The Action Agenda welcomes efforts by countries to set nationally defined domestic targets and timelines for enhancing domestic revenue, and agrees to support developing countries in need in reaching those targets. Countries also agree to strengthen international cooperation to build capacity in developing countries, including through enhanced ODA.

31. The Action Agenda commits countries to redouble their efforts to substantially reduce illicit financial flows by 2030, with a view to eliminating them over time, including by combating tax evasion and corruption, both through strengthened national regulation and increased international cooperation. In that effort, the Action Agenda invites appropriate international institutions to publish estimates of the volume and composition of illicit financial flows and encourages the international

community to develop good practices on asset return. Countries further commit to striving to eliminate safe havens that create incentives for transfer abroad of stolen assets and illicit financial flows.

32. Countries agree to strengthen international cooperation in tax matters, including through concrete transparency and reporting mechanisms. The Action Agenda further calls upon companies to pay taxes to the Governments of countries where economic activity occurs and value is created. The Action Agenda supports ongoing efforts in IMF, the Organization for Economic Cooperation and Development (OECD) and the World Bank, and strengthens the United Nations Committee of Experts on International Cooperation in Tax Matters, to ensure more inclusive cooperation and dialogue among national tax authorities.

33. Countries also commit to efficient and effective spending aligned with sustainable development, including through rationalizing and phasing out inefficient fossil fuel subsidies, while minimizing the impact on the poor. They further commit to transparent and gender-responsive budgeting and transparent public procurement frameworks. Particular attention is paid to the potential of development banks to finance long-term investments, especially in credit market segments in which commercial banks are not fully engaged or where large financing gaps exist.

Domestic and international private business and finance

34. The Action Agenda invites businesses to apply their creativity and innovation towards solving sustainable development challenges and to engage as partners in the development process. It encourages businesses to embrace a core business model that takes into account the environmental, social and governance impacts of their activities, including integrated reporting, and also encourages impact investing. In particular, private foundations are encouraged to use their endowments actively, through impact investment, to better support sustainable development.

35. Countries agree to strengthen their enabling environments in order to encourage private investment. They also agree to promote sustainable corporate practices, including integrating environmental, social and governance factors into company reporting. To that end, the Action Agenda calls for a harmonization of the various initiatives on responsible financing standards. At the same time, the Action Agenda emphasizes the importance of a strong regulatory and policy framework to better align private investment with public goals.

36. Acknowledging the importance of financial inclusion, countries agree to consider including financial inclusion as a policy objective in financial regulation. The Action Agenda features a package of policy measures aimed at strengthening access to finance for small, medium-sized and microenterprises, including through the use of development banks and innovative instruments. The Action Agenda acknowledges the importance of robust risk-based regulatory frameworks for all financial intermediation, but underscores that some risk-mitigating measures could potentially have unintended consequences, such as making it more difficult for small, medium-sized and microenterprises to access financial services. Countries agree to work to ensure that policy and regulatory environments support financial market stability and promote financial inclusion in a balanced manner. Developing countries further agree to develop or strengthen long-term bond markets as a source of development finance, along with capital market regulations designed to reduce

excess volatility and promote long-term investment aligned with sustainable development.

37. The Action Agenda also sets a target to reduce the average cost of transmitting remittances across borders to less than 3 per cent by 2030. Countries further agree to ensure that no remittance corridor requires charges of more than 5 per cent, mindful of the need to maintain adequate service coverage, especially for those most in need.

International development cooperation

38. The ambitious 2030 agenda for sustainable development will put significant demands on public budgets and capacities, which requires scaled-up and more effective international support, including both concessional and non-concessional financing. In that regard, developed countries recommit to their ODA targets, including 0.70 per cent of gross national income (GNI) provided as ODA, with 0.15 to 0.20 per cent to least developed countries. Developed countries further commit to reversing the declining trend of ODA to the least developed countries, and are encouraged to set a target of providing at least 0.20 per cent of ODA/GNI to least developed countries, with the European Union promising to do so by 2030.

39. The Action Agenda calls upon providers of ODA and South-South cooperation to further increase the effectiveness of their cooperation, and to increase knowledge-sharing of their respective efforts. In that context, countries also decide to hold open, inclusive and transparent discussions on the proposed measure of "total official support for sustainable development". The text speaks to the need to take into account the three dimensions of sustainable development in all flows and to increase efforts to enhance the resilience of countries to respond to shocks and natural disasters.

40. The Action Agenda calls upon multilateral development banks to adapt and be fully responsive to the sustainable development agenda. It stresses that development banks should make optimal use of their resources and balance sheets. It encourages them to examine their role, scale and functioning to improve their contribution to the sustainable development agenda. It further calls upon development banks to develop graduation policies that are sequenced, phased and gradual, and to help ensure that countries have access to sufficient affordable finance after graduation. It welcomes new development banks and their contributions to development, and calls upon them to establish or maintain social and environmental safeguards systems. The Action Agenda also acknowledges the role played by multi-stakeholder partnerships in financing certain sectors and encourages them to support country-driven priorities and strategies.

International trade as an engine for development

41. The Action Agenda welcomes the progress made recently in multilateral trade negotiations, in particular the Bali Package of the Ninth Ministerial Conference of WTO. It calls upon WTO members to redouble their efforts to promptly conclude the negotiations on the Doha Development Agenda. It emphasizes the importance of policy coherence and regional integration, and in that context commits countries to crafting appropriate safeguards in trade and investment agreements so as not to constrain domestic policies and regulation in the public interest. It commits to exploring ways to expand trade financing, which can alleviate constraints on

capturing trade-expansion opportunities. It invites the General Council of WTO to consider how it can contribute to sustainable development.

42. The Action Agenda gives special attention to WTO policies to encourage trade expansion by least developed countries and other developing countries, welcoming in particular the new WTO process to monitor and analyse the implementation of its policy on "special and differential treatment" of developing countries. It reaffirms the right of WTO members to take advantage of the flexibilities to protect public health that are available in the agreement on protecting intellectual property rights, and encourages WTO members to accept the agreement to improve access to affordable medicines by the end of 2015. Governments also endorse "aid for trade" and will strive to allocate an increasing proportion of it to least developed countries. They further commit to providing technical assistance to landlocked developing countries to support their participation in trade negotiations. Governments resolve to enhance support for various efforts to address illegal wildlife trade and illegal fishing, logging and mining, which are a challenge for many countries.

Debt sustainability

43. The Action Agenda notes the progress that has been made since Monterrey in the areas of debt and debt sustainability, but also expresses concern over the debt sustainability challenges that some countries face. It acknowledges that debt restructurings enhance the ability of debt-constrained countries to achieve sustainable development. As in Monterrey, the Action Agenda recognizes that both debtors and creditors share responsibility for debt crises, and it commits countries to work towards a global consensus on guidelines for debtor and creditor responsibilities. It also invites relevant institutions to consider creating a central data registry that includes information on debt restructurings, which would enhance public availability of debt data.

44. The Action Agenda recognizes the need to impede the activities of uncooperative minority bondholders of crisis-country bonds (so-called vulture funds), and encourages countries to adopt legislative efforts in that regard. Countries also commit to strengthening international support for advisory legal services for developing countries. The Action Agenda calls upon the international community to offer support to countries whose debt sustainability is threatened by shocks and natural disasters. It encourages consideration of further debt relief steps and the study of new risk-reducing financial instruments that could be of assistance for developing countries experiencing debt distress, particularly least developed countries, landlocked developing countries and small island developing States.

Addressing systemic issues

45. The Action Agenda reiterates Monterrey's emphasis on the importance of continuing to improve global economic governance and to strengthen the United Nations leadership role in promoting development. Monterrey also emphasized the importance of coherence and consistency in the international financial, monetary and trading systems in support of development. The Action Agenda reflects the broadening of the post-2015 development agenda to encompass policy coherence among the economic, social and environmental dimensions of sustainable development. It also takes into account international migration, affirming the rights of migrant workers.

46. As did the Monterrey Consensus, the Action Agenda emphasizes the importance of international financial stability and international cooperation to counter excessive volatility. That reflects concern about systemic risks from regulatory gaps and misaligned incentives in the financial sector. Countries agree to address the systemic risks associated with shadow banking and "too big to fail" financial institutions. They also promise to adopt measures to make food commodity markets function properly. They resolve to reduce mechanistic reliance on assessments by credit rating agencies, including with regard to prudential banking regulations. To that end, countries commit to adopting measures to improve the quality of ratings, including by promoting increased competition and measures to avoid conflicts of interest and increase transparency.

47. The Action Agenda further recognizes the need for strengthening the permanent international financial safety net, with a strong IMF and strengthened dialogue and cooperation with regional financial initiatives. Member States look forward to undertaking the special drawing rights review this year. The Action Agenda calls upon IMF to provide adequate levels of financial support to developing countries pursuing sustainable development and to assist them in managing any associated pressures on the national balance of payments.

48. In addition, the Action Agenda calls for further increases in voice and representation of developing countries in global norm-setting and decision-making bodies, including IMF and the World Bank and financial norm-setting bodies. Moreover, as shareholders in the main international financial institutions, Member States commit to selecting their leaders through open and transparent, gender-balanced and merit-based processes and to making their staff more diverse. The Action Agenda also stresses the importance of ensuring that international agreements, rules and standards are consistent with each other and with progress towards the sustainable development goals, and encourages development finance institutions to align their business practices with the post-2015 development agenda.

Science, technology, innovation and capacity-building

49. In a major expansion and advance of the Monterrey Consensus, the Addis Ababa Action Agenda introduces a section on science, technology and innovation as well as capacity-building. The Action Agenda stresses the importance of public policies and finance to spur innovation, and calls upon countries to consider setting up diversified innovation funds. It puts capacity-building at its core, including for domestic resource mobilization, international support to develop local capital markets, public-private partnerships, foreign direct investment and infrastructure.

50. The Action Agenda establishes a technology facilitation mechanism consisting of three components: (i) a United Nations inter-agency task team on science, technology and innovation for the sustainable development goals, which will work with members of civil society, the private sector and the scientific community to promote coordination, coherence and cooperation in technology initiatives; (ii) an online platform to establish a comprehensive mapping of and disseminate information on initiatives, mechanisms and programmes related to science, technology and innovation; and (iii) an annual collaborative multi-stakeholder forum on science, technology and innovation for the sustainable development goals. The forum will provide a venue for facilitating interaction and matchmaking

between relevant stakeholders and will help facilitate the development, transfer and dissemination of relevant technologies for the sustainable development goals.

51. Taking into account the recommendations by the High-level Panel on Technology Bank for Least Developed Countries, Governments will seek to operationalize the technology bank by 2017. They will also seek to promote synergies between the bank and the technology facilitation mechanism.

Data, monitoring and follow-up

52. The final chapter of the Action Agenda considers how the international community should monitor the implementation of the agreed actions. It emphasizes the importance of high-quality disaggregated data for policymaking and of monitoring the progress of implementation of the Action Agenda and the post-2015 development agenda, and prioritizes capacity-building in that area. It also calls upon the United Nations system, in consultation with the international financial institutions, to develop transparent measurements of progress on sustainable development that go beyond per capita income.

53. To ensure adequate follow-up, the Action Agenda establishes an annual follow-up forum on financing for development of the Economic and Social Council, with universal intergovernmental participation. Its intergovernmentally agreed conclusions and recommendations will be fed into the follow-up and review of the post-2015 development agenda in the High-level Political Forum on Sustainable Development. The deliberations of the Development Cooperation Forum of the Economic and Social Council will also be taken into account. Countries also decided that the High-level Dialogue on Financing for Development of the General Assembly will be held back-to-back with the High-level Political Forum under the auspices of the Assembly when the High-level Political Forum is convened every four years. In addition, an inter-agency task force will report annually on progress in implementing the financing for development outcomes and the means of implementation of the post-2015 development agenda. Together, those efforts aim to ensure that no country is left behind.

IV. Revitalized global partnership for sustainable development

54. The Action Agenda also serves as a guide for further actions by Governments, international organizations, the business sector, civil society and philanthropists. In addition to the agreements reached in the outcome document, there were more than 65 initiatives launched and concrete announcements made at the Conference. Reflecting the intergovernmental nature of the Conference, more than half of the commitments were made by Governments, but announcements were made by all types of actors (Governments, international organizations, businesses, civil society and the philanthropic community) at the national, regional and global levels.

55. Although commitments and initiatives covered a wide range of issues, many of the initiatives were clustered around five main areas: (i) domestic resource mobilization; (ii) infrastructure and the financing of small, medium-sized and microenterprises; (iii) social needs; (iv) environmental concerns; and (v) data. Many of the new initiatives focused on capacity-building, and several included commitments of additional resources. The announcements complemented recent decisions to set up new multilateral development banks and new funds, primarily

focused on infrastructure. A selection of key initiatives is described below. A full list of voluntary commitments and initiatives is available on the website of the Conference.[6]

56. Recognizing the centrality of domestic resource mobilization, four major initiatives were launched in the area of international tax cooperation: the Addis Tax Initiative; Tax Inspectors Without Borders; a joint IMF/World Bank tax initiative; and a new regional network of tax administrators in the Asia-Pacific region.

57. In the Addis Tax Initiative, more than 30 countries and international organizations have teamed up to enhance the mobilization and effective use of domestic resources and to improve the fairness, transparency, efficiency and effectiveness of tax systems. Donor countries will collectively double their technical cooperation in the areas of domestic revenue mobilization and taxation by 2020, while partner countries restated their commitment to stepping up domestic resource mobilization. The Tax Inspectors Without Borders project, a joint initiative of OECD and UNDP, will facilitate targeted tax audit assistance in developing countries worldwide. Tax audit experts will work alongside local officials of developing country tax administrations to help strengthen tax audit capacities, including on issues concerning international tax matters.

58. The joint IMF/World Bank tax initiative has two pillars: deepening the dialogue with developing countries on international tax issues with the aim of helping to increase their voices in the international debate on tax rules and cooperation; and developing improved diagnostic tools to help member countries evaluate and strengthen their tax policies. Building on other regional forums, which have been successful in sharing experiences and expertise, the Economic and Social Commission for Asia and the Pacific has proposed the establishment of a new tax forum in the region, a group of tax experts mandated to catalyse regional action to raise the region's low tax/GDP ratio.

59. Several initiatives related to financing infrastructure and small, medium-sized and microenterprises were announced, particularly by development banks. A group comprising the World Bank and five regional development banks vowed to increase their contribution to sustainable development finance to more than $400 billion over the next three years, partly reflecting efforts to make better use of their balance sheets. The Government of Japan promised to provide Asian countries with innovative infrastructure financing amounting to an additional $110 billion in total over the next five years, part of which will be channelled through the Asian Development Bank. The United Kingdom of Great Britain and Northern Ireland announced a capital injection of 735 million pounds ($1.14 billion) over three years into the Commonwealth Development Corporation, its Government-owned development finance institution, to allow the Corporation to target more support to developing countries.

60. The Prime Minister of Italy announced the creation of a new Italian development finance institution, to be hosted with the Italian national promotional bank Cassa Depositi e Prestiti. Canada announced that it would establish a development finance initiative for low- and middle-income countries. As Chair of the Redesigning Development Finance Initiative, Canada, in cooperation with the World Economic Forum, Dalberg Global Development Advisors and the Global

[6] See www.un.org/esa/ffd/ffd3.

Development Incubator, also launched a new initiative, called "Convergence", an online platform for sharing knowledge, matchmaking and forging blended finance partnerships. Moreover, a group of development banks, convened by the International Development Finance Club, announced that its members disbursed approximately $440 billion annually to finance a wide range of projects in strategic sectors, and the role of national development banks in financing the sustainable development goals was seen to be increasing.

61. Those announcements come on top of recent initiatives to set up new development banks. In the month before the Conference, the Asian Infrastructure Investment Bank was launched. Immediately after the Conference, the New Development Bank was formally inaugurated by Brazil, the Russian Federation, India, China and South Africa (BRICS). The registered capital of each of these institutions is expected to be $100 billion. In addition, in the months prior to the Conference, China launched a $40 billion Silk Road infrastructure fund.

62. A new multi-stakeholder partnership, the Sustainable Development Investment Partnership, was also launched in Addis Ababa. The partnership aims to mobilize $100 billion in private financing over five years for infrastructure projects by improving and enhancing risk mitigation tools to reduce political, regulatory, credit and currency risks and liquidity threats. The partnership was founded by Citigroup, Deutsche Bank, East Capital, Standard Chartered Bank, Storebrand and Sumitomo Mitsui Banking Corporation.

63. The Sustainable Energy for All (SE4ALL) initiative launched a report identifying the potential for catalysing incremental annual investments in sustainable energy. The report on scaling up finance for sustainable energy investments, by the Finance Committee of the initiative's Advisory Board, describes concrete ways to increase crucial private-sector investment by a potential $120 billion a year by 2020 through innovative financing structures. The report also contains recommendations on ways to improve the pipeline of suitable projects, particularly in developing countries.

64. Prior to the Conference, the African Development Bank, the World Bank Group and the Government of Sweden collectively committed an additional $9 billion in support of Power Africa. In Addis Ababa, the European Union and Power Africa announced a new partnership, through which the European Union committed to fund more than $2.8 billion in sustainable energy activities across sub-Saharan Africa. The funds are expected to mobilize additional investment from the private sector. Power Africa's initial $7 billion commitment has mobilized more than $20 billion in private-sector commitments.

65. New financing partnerships were also created to tackle health and nutrition issues. The Global Financing Facility was launched in support of the Every Woman Every Child initiative. Some $12 billion in domestic, international, private and public funding has already been aligned to country-led five-year investment plans for the health of women, children and adolescents in the four Global Financing Facility front-runner countries: the Democratic Republic of the Congo, Ethiopia, Kenya and the United Republic of Tanzania. The Bill & Melinda Gates Foundation, Canada, Japan and the United States of America announced new financing commitments to the Global Financing Facility totalling $214 million. That is in addition to commitments previously made by Canada and Norway totalling $800 million.

66. The Islamic Development Bank and the Bill & Melinda Gates Foundation launched a new initiative, to be known as the Lives & Livelihoods Fund, to address poverty and diseases in Islamic Development Bank member countries. Through that innovative initiative, the Islamic Development Bank, the Gates Foundation and other donors will support poverty-focused programmes worth $2.5 billion in primary health care, disease control, smallholder agriculture and basic rural infrastructure over the next five years. In addition, six African countries announced their implementation of UNITLIFE, the first micro-levy on extractive industry revenue to finance nutritional interventions for children.

67. A number of countries restated or updated their commitments to provide ODA. The European Union as a group specifically committed to collectively achieving the United Nations target of 0.70 per cent of ODA/GNI within the time frame of the post-2015 agenda, including the commitment to dedicate collectively 0.15-0.20 per cent of ODA/GNI to least developed countries in the short term, and 0.20 per cent of ODA/GNI to least developed countries by 2030. The five countries that already provide more than 0.70 per cent of GNI as ODA (Denmark, Luxembourg, Norway, Sweden, and the United Kingdom) all committed to continue to provide ODA at that level. Belgium committed to allocate 50 per cent of its ODA to least developed countries. The United States committed to continue its efforts to allocate 50 per cent of its ODA to least developed countries or fragile and conflict-affected States. Germany committed to double its contribution to the Green Climate Fund.

68. Governments, businesses, civil society and international organizations also made major commitments to address gaps in data production, openness and use, including announcing the intention to launch a global partnership for sustainable development data in September 2015. Countries agreed to quickly explore the options for the structure of the global partnership, with the United States and the William and Flora Hewlett Foundation agreeing to provide seed funding for the secretariat of the partnership.

69. A revitalized global partnership for sustainable development will require additional actions, building on the Addis Ababa Action Agenda and the announcements made at the Conference. The financing framework described above provides the basis for those actions and will shape development cooperation and international economic and financial governance. By ensuring that all policies are coherent with international goals, targets and commitments, a revitalized global partnership can truly take shape.

V. Non-state stakeholder inputs

Civil Society Organizations Global Forum

70. More than 600 representatives of civil society organizations and networks from around the world gathered in a two-day Civil Society Organizations Global Forum, organized by the Addis Ababa Civil Society Organizations Coordination Group. The Forum adopted an Addis Ababa Civil Society Organizations Financing for Development Forum Declaration,[7] which outlined the civil society perspective

[7] Available from https://csoforffd.wordpress.com/cso-forum/addis-ababa-cso-ffd-forum-declaration.

on a wide range of issues related to the financing for development agenda and the means of implementation for the sustainable development goals.

71. The Declaration argued that, as the first of three important United Nations summits on sustainable development in 2015, the Addis Ababa Conference was an opportunity to set the tone for an ambitious and transformative agenda that would tackle the structural injustices in the current global economic system, and ensure that all development finance was people-centred and protected the environment. Among civil society organizations and social movements, there was a strong commitment to the financing for development approach that met the basic needs of all people while preserving the planet for future generations. The Declaration stated that the principles of democratic ownership and leadership were at the heart of the financing framework. It argued that an enabling environment for civil society agency was essential. It also stated that the principle of common but differentiated responsibilities was indispensable for the political legitimacy and impact of the financing for development agenda.

72. Civil society organizations expressed concern that the Addis Ababa outcome would not be sufficient to enable sustainable development and function as the operational means of implementation for the post-2015 development agenda. However, they reaffirmed their intent to continue working with all countries, institutions and subnational authorities towards aligning financing with such a development approach. For that purpose, they agreed to strengthen the civil society organization community involved in the financing for development process at the global, regional and country levels. They also expressed their appreciation for the participation and access civil society was accorded in the preparatory process.

73. At the closing of the Conference, civil society organizations issued a response[8] to the outcome document that reiterated their concerns, but also recommitted to staying engaged to uphold the aspirations for economic, monetary and financial frameworks that responded to the imperatives of human rights and the values of humanity and solidarity. They committed to continuing to promote the vision of an economy at the service of people and planet and to advocate for the democratization of economic governance and the reaffirmation of the centrality of the United Nations in that regard. They noted that the establishment of an intergovernmental and universal forum on financing for development would provide the political space to advance the global normative agenda in that direction.

International Business Forum

74. The International Business Forum explored challenges and solutions for development cooperation from the perspective of the private sector. The Forum was organized by the Financing for Development Business Sector Steering Committee, led by the International Chamber of Commerce in collaboration with the International Finance Corporation, the United Nations Foundation, the United Nations Global Compact and the World Economic Forum.

75. At the meeting, participants from across the global development community recognized and embraced the urgent need for further cooperation and strategic dialogue with the private sector to increase its contributions to sustainable

[8] Available from https://csoforffd.files.wordpress.com/2015/07/cso-response-to-ffd-addis-ababa-action-agenda-16-july-2015.pdf.

development solutions worldwide. They agreed that more inclusive and sustained growth relied on the integration of all countries into global goods and services markets, and on their tapping of global capital. It was also indicated that the private sector was key to that integration. To unlock its potential, business needed the right enabling environment — economic, legal and regulatory — and the right incentives set by public policies. Recognizing that no single model fit all countries, participants suggested that countries must be strategic in creating a business environment that encouraged productivity growth.

76. The Forum further highlighted that delivering the post-2015 development agenda would require the creation of new partnerships that harnessed the power of the private sector to drive economic growth, create jobs and reduce poverty. Many companies had already understood that financing consumer, social and environmental solutions that benefited society presented smart investment opportunities.

77. The diversity of the private sector, ranging from microenterprises to cooperatives to multinationals both foreign and domestic, offered creativity and innovation towards solving sustainable development challenges. Most importantly, businesses looked to continue to partner with Governments and other stakeholders to ensure business activities were carried out in a responsible, sustainable and socially inclusive manner. New initiatives for private financing of development projects were announced in that regard.

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Elimination of racism, racial discrimination, xenophobia and related intolerance

Contemporary forms of racism, racial discrimination, xenophobia and related intolerance

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the report of the Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance, Mutuma Ruteere, on the implementation of Assembly resolution 69/160.

* A/70/150.

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Report of the Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance

Summary

The present report to the General Assembly is submitted pursuant to Assembly resolution 69/160 on combating glorification of Nazism, neo-Nazism and other practices that contribute to fuelling contemporary forms of racism, racial discrimination, xenophobia and related intolerance, in which the Assembly requested the Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance to prepare a report on the implementation of the resolution based on views collected from Governments and non-governmental organizations, for submission to the Assembly at its seventieth session.

In his report, the Special Rapporteur summarizes the contributions sent by nine States on the implementation of the resolution as well as five submissions sent by non-governmental and other organizations. He then puts forward a number of conclusions and recommendations.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 69/160 entitled "Combating glorification of Nazism, neo-Nazism and other practices that contribute to fuelling contemporary forms of racism, racial discrimination, xenophobia and related intolerance".

2. In the resolution, the General Assembly expressed concern at the spread in many parts of the world of various extremist political parties, movements and groups, including neo-Nazis and skinhead groups and similar extremist ideological movements. This has led to an increasing number of acts of racially based violence and mounting hate speech in the public sphere, as observed by the Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance (A/HRC/29/47 and A/69/334). In resolution 69/160, the Assembly recalled the request of the Commission on Human Rights, in its resolution 2005/5, that the Special Rapporteur continue to reflect on the issue, make relevant recommendations in his future reports and seek and take into account in that regard the views of Governments and non-governmental organizations. The Assembly requested the Special Rapporteur to prepare, for submission to the Assembly at its seventieth session and to the Human Rights Council at its twenty-ninth session, reports on the implementation of the resolution based on the views collected.

3. In paragraph 6 of the resolution, the General Assembly emphasized the recommendation of the Special Rapporteur that "any commemorative celebration of the Nazi regime, its allies and related organizations, whether official or unofficial, should be prohibited by States", and stressed in that regard that it was important that States take measures, in accordance with international human rights law, to counteract any celebration of the Nazi SS organization and all its integral parts, including the Waffen SS. In paragraph 7, the Assembly expressed concern about recurring attempts to desecrate or demolish monuments erected in remembrance of those who fought against Nazism during the Second World War as well as to unlawfully exhume or remove the remains of such persons and, in that regard, urged States to fully comply with their relevant obligations, inter alia, under article 34 of Additional Protocol I to the Geneva Conventions of 1949.

4. In paragraph 8, the General Assembly noted with concern the increase in the number of racist incidents worldwide, including the rise of skinhead groups, which had been responsible for many of those incidents, as well as the resurgence of racist and xenophobic violence targeting, inter alia, persons belonging to national, ethnic, religious or linguistic minorities. In paragraph 10, the Assembly condemned without reservation any denial or attempt to deny the Holocaust. In paragraph 11, the Assembly welcomed the call of the Special Rapporteur for the active preservation of those Holocaust sites that served as Nazi death camps, concentration and forced labour camps and prisons as well as his encouragement of States to take measures, including legislative, law enforcement and educational measures, to put an end to all forms of Holocaust denial. In paragraph 12, the Assembly called upon States to continue to take adequate steps, including through national legislation, in accordance with international human rights law, aimed at the prevention of hate speech and incitement to violence against persons belonging to vulnerable groups.

5. In accordance with the practice established in previous reports, the Special Rapporteur summarizes herein information received on relevant activities undertaken by Member States pursuant to resolution 69/160. In preparing the report, a note verbale was sent on 10 March 2015 to Member States and a letter to non-governmental organizations requesting information on the implementation of the resolution. By 30 June 2015, replies had been received from Argentina, Bahrein, Belarus, Estonia, Kazakhstan, Qatar, the Russian Federation and Serbia. The Special Rapporteur also received contributions from a coalition of German non-governmental organizations, lawyers and academics acting as co-plaintiffs in the trial of members of the National Socialist Underground, the Foundation for Sustainable Development for Bulgaria, the Hampton Institute, the International Association of Democratic Lawyers and the Latvian Human Rights Committee. The Special Rapporteur wishes to thank all those who kindly contributed to the present report and regrets not being able to consider submissions received after that date.

6. The information received is summarized below. The original submissions are available for consultation at the Office of the United Nations High Commissioner for Human Rights.

II. Contributions received from Member States

A. Argentina

7. The Government referred to the Law of Discriminatory Actions (No. 23.592) of 1988, which lays the basis for combating all forms of discrimination in Argentina. The Government also noted that since the constitutional reform of 1994, all human rights treaties to which Argentina was a party acquired supralegal status, including the International Convention on the Elimination of All Forms of Racial Discrimination (law No. 17.722) and the Convention on the Elimination of All Forms of Discrimination against Women (law No. 23.179). The Government also noted that racist or xenophobic offences constituted aggravating circumstances in national criminal law, as recommended in resolution 69/160.

8. The Government highlighted the creation of the National Institute against Discrimination, Xenophobia and Racism, which coordinated the actions proposed in the National Plan against Discrimination in Argentina, "Diagnosis and proposals (decree No. 1086/2005)", a document elaborated in connection with the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, held in Durban, South Africa, in 2001.

9. Among the actions undertaken by the National Institute to counter racism in Argentina was the signing of collaboration agreements, including an agreement between the Chacarita and the Atlanta football clubs, the latter having predominantly Jewish supporters. On 12 March 2012, during a football match, Chacarita fans shouted anti-Semitic remarks at the Atlanta club. The Institute issued a press statement denouncing the incident, which resulted in the Argentine Football Association penalizing the Chacarita club by docking points. The Institute also developed the "Framework Convention on Cooperation against Discrimination, Xenophobia, and Racism", which the clubs signed.

10. The Institute also participated in educational activities mandated as part of suspended sentences for offences related to discrimination. For example, between 2013 and 2014, some 15 persons attended tributes to a former Nazi official that were held in a cemetery in Buenos Aires. The persons concerned were sentenced to probation and were required to attend training provided by the Institute. The training covered topics such as racism, discrimination, xenophobia and Nazism and was aimed at raising awareness about the grave nature of neo-Nazi acts and the importance of human rights.

11. The Institute also conducted campaigns against racism. In 2011, it created the "Intercultural Area", which covered the issue of discrimination and racism directed towards minority groups. The Intercultural Area aimed to combat racist practices through awareness-raising and visualization. As part of this campaign, the Institute also published a booklet entitled "Racism: towards an intercultural Argentina", which included a section on the Holocaust as an example of institutionalized racism.

12. The Institute ran two observatory bodies that monitor discrimination: the Observatory of Discrimination in Football and the Observatory of Discrimination in Radio and Television. Among their many other roles, these bodies analysed actions, content and commentaries in their respective areas and created a space for the actors to participate and reflect upon issues. The Institute also created a monitoring mechanism for hate speech on the Internet which, with regard to anti-Semitism, collaborated with the Delegation of Argentine Jewish Associations, the Argentine Jewish Mutual Aid Society and the Latin American Jewish Congress.

13. The Institute also cooperated with civil society and other international and regional human rights mechanisms to fight racism, discrimination, xenophobia and other forms of intolerance. For example, in 2010, the executive branch declared 27 January to be International Holocaust Remembrance Day (decree No. 157/2010). The decree was promulgated as part of Argentina's commitment as the first and only Latin American member of the International Task Force for Cooperation on Holocaust Education, Remembrance and Research. Finally, the Institute also participated in the Latin American Network against Discrimination, of which it was elected Chair in August 2014 and which has allowed it to share Argentina's experience with discrimination and give that experience a wider institutional reach.

B. Bahrain

14. The Government reported that it had taken steps to combat and eliminate all forms of ideological extremism and racial intolerance by, inter alia, introducing human rights syllabuses in local universities and promulgating a code of ethics for journalists to ensure that they do not condone propaganda that is of a racist nature, express contempt or hatred for religions or incite discrimination or denigration of the views of a social community.

15. The Government had drawn up a code of ethics which required religious leaders in Bahrain to exercise moderation in their sermons, promote the values of coexistence and brotherliness and refrain from making politically inflammatory statements or inciting hatred or discrimination against others on the grounds of their racial, doctrinal or other affiliations.

16. The Government also referenced a number of amendments that had been made to local labour legislation to explicitly prohibit discriminatory employment practices.

C. Belarus

17. The Government reported that the Commissioner for Religious and Ethnic Affairs and his team working in the area of inter-ethnic relations coordinated the activities of the national public administration, local executive, administrative bodies and voluntary associations that promoted the rights of Belorussian citizens of different ethnic groups.

18. In this regard, a working group had been set up to improve public policy regarding ethnic relations. It was tasked with providing information on State policy in the field of ethnic and religious relations, encouraging the preservation and study of cultural heritage, promoting the traditions of ethnic communities, encouraging the activities of educational establishments involving intercultural cooperation among students and publicizing the results of sociological research on ethnic issues in Belarus. Under the umbrella of the Commissioner for Religious and Ethnic Affairs, the Inter-ethnic Advisory Council was established in 2006.

19. Additionally, the Commissioner's office funded an annual national competition for journalists for the best coverage of issues related to inter-ethnic and interfaith relations, intercultural dialogue in the country and cooperation with compatriots abroad. In the past three years, this organization had given over 500 million Belarusian roubles to voluntary associations to promote the activities of ethnic communities in Belarus. The funds had been used to purchase and donate ethnic costumes and shoes, sound equipment, office equipment and print material for performance groups of the Azerbaijani, Armenian, Georgian, Greek, Jewish, Korean, Lithuanian, German, Polish, Ukrainian, Chuvash, Tatar-Bashkir, Moldovan, Kazakh, Roma and Estonian national cultural associations.

D. Estonia

20. The Government clarified its perspectives on contemporary forms of racism, radical discrimination, xenophobia and related intolerance by pointing out a variety of actions and developments within the country. The Estonian Penal Code forbade activities that publicly incited hatred, violence and discrimination on the basis of nationality, race, colour, sex, language, origin, religion, sexual orientation, political opinion or financial or social status. Another piece of legislation, the Advertising Act, regulated advertising by forbidding anything contrary to good morals and customs, inciting violence or containing denigrating and discriminating messages, among others.

21. Additionally, 14 June was a national day of mourning commemorating the victims of all crimes against humanity carried out by any repressive forces. As far as combating the distortion of history is concerned, Estonia believed in the importance of remembering and commemorating history. That notion was celebrated by the Baltic Way, a peaceful demonstration held on 23 August in remembrance of the Molotov-Ribbentrop Pact between the Soviet Union and Nazi Germany. That date had also been proclaimed by the European Parliament as European Day of

Remembrance for Victims of Stalinism and Nazism, or Black Ribbon Day, to be commemorated with dignity and impartiality.

22. Estonia also approached the education of its youth with honesty and a multicultural perspective. When teaching about the Holocaust, teachers were expected to include a field trip to a significant commemorative site. Estonia condemned any behaviour associated with Nazism, racism, xenophobia, racial and ethnic hatred and any other forms of intolerance.

E. Kazakhstan

23. The Government provided responses from four ministries: the Ministry of Internal Affairs, the Ministry of Justice, the Ministry of Health and Social Development and the Ministry of Culture and Sport.

24. The Ministry of Internal Affairs reported that between 2014 and 2015, no cases were reported regarding the promotion or dissemination of fascist, Nazi and neo-Nazi ideology, or of other manifestations of racism and racial discrimination. Furthermore, on 16 September 2014, the Bostandyk district court in the city of Almaty designated Adolf Hitler's book, *Mein Kampf*, as extremist literature and prohibited its importation, publication and distribution in Kazakhstan.

25. The Ministry of Justice referred to article 20 of the Constitution which, consistent with the International Covenant on Civil and Political Rights, safeguarded freedom of expression and established the right of each person to freely receive and disseminate information in any manner consistent with the law. In addition, article 23, paragraph 1, granted Kazakh citizens the right to freedom of association.

26. The Ministry also referred to article 5, paragraph 3, which prohibited the establishment and running of voluntary associations whose aims or actions were directed at changing the constitutional system by, inter alia, inciting social, racial, national, religious, class or ethnic discord or creating paramilitary groups not permitted by legislation. Under article 39 of the Constitution, restrictions may be placed on human and civil rights and freedoms only through laws and to the extent necessary to defend the constitutional order and protect public order, human rights and freedoms and the health and moral integrity of the population. In addition, article 5 of the Voluntary Associations Act of 31 May 1996 prohibited the establishment and running of voluntary associations that pursued extremist aims as well as the creation of paramilitary groups not permitted under Kazakh legislation. Under the Kazakh Criminal Code, incitement to social, national, ethnic, racial, class or religious discord was classified as an extremist crime (see Criminal Code, art. 174; before 2015, see art. 164).

27. The Ministry also highlighted article 400 of the new Criminal Code, which made it an offence to organize, hold or take part in unlawful meetings, rallies, marches, protests, demonstrations or other unlawful public events if those actions caused substantial harm to the rights and legitimate interests of citizens or organizations or of interests of society or the State which were protected by law. Under article 155, paragraph 1, of the Criminal Code, for unlawfully preventing a meeting, rally, march, protest, demonstration or other lawful public event from being arranged, held or attended or for compelling others to participate in them, the

penalty was a fine of up to 200 times the monthly reference index, punitive deductions of earnings of the same magnitude, up to 180 hours of community service or detention for up to 60 days.

28. Pursuant to article 7, paragraph 3 (2), of the Advertisement Act, advertisements which disparage works of art, culture or historical monuments that are national or global treasures were considered malevolent. In accordance with article 6, paragraph 6, of the Act, advertisements must not be used as propaganda or to campaign for the overthrow of the constitutional order by force; the violation of Kazakhstan's territorial integrity; the undermining of State security; the incitement of social, racial, national, religious, class and ethnic discord; or a culture of cruelty and violence. Under article 124 of the Code of Administrative Offences of 5 July 2014, a fine of 25 times the monthly reference index was imposed for placing campaign materials on monuments, obelisks, buildings and structures which had historical, cultural or architectural value or in spaces reserved for voting.

29. The Ministry of Culture and Sport was one of the bodies carrying out State policy to promote inter-ethnic relations and social harmony. The Ministry referred to its strategic plan, which covered the creation of a tolerant language environment as a factor unifying the people of Kazakhstan, further strengthening of the national identity and unity of the nation and the fostering of stability in Kazakhstan. With the participation of representatives of government departments and civil society, efforts were being made to organize different formats of events designed to instil a sense of patriotism and reinforce inter-ethnic relations and social harmony in the country. The events included educational seminars for regional law enforcement officers to increase their awareness of the burgeoning civil society and the latest inter-ethnic policy.

F. Qatar

30. The Government indicated that there was no information to provide on the glorification of Nazism in Qatar, but that there were preventive measures in place to combat racism, racial discrimination, xenophobia, and related intolerance, although the Government did not provide further details on those measures.

G. Russian Federation

31. The Government highlighted a number of laws, decrees and policies undertaken in the fight against neo-Nazism and other extremist ideologies, starting with the Russian Criminal Code, as well as the Code of Administrative Offences. It then proceeded to describe a variety of federal laws and concluded with the activities of a selection of ministries.

32. The Criminal Code treated the commission of offences motivated by political, ideological, racial, ethnic or religious hatred or enmity as aggravating circumstances that increased the penalty imposed. Acts aimed at inciting hatred or enmity or humiliating a person or group on the grounds of sex, race, ethnicity, language, origin, religion or membership of a particular social group were considered crimes against the constitutional order and security of the State. The Criminal Code also established as offences the destruction of or damage to cultural heritage sites,

including monuments and burial sites, on the grounds of political, ideological, racial, ethnic or religious hatred or enmity.

33. The Code of Administrative Offences established liability for publicizing and publicly displaying Nazi paraphernalia or symbolism as well as for the manufacture, sale or purchase of such paraphernalia or symbolism for profit or mass distribution.

34. The Government referred to Federal Act No. 128-FZ of 2014 which classified as crimes the following acts: the denial of facts established by verdict of the International Military Tribunal for the Prosecution and Punishment of the Major War Criminals of the European Axis; approval of the offences established by that verdict; and the dissemination of deliberately false information concerning the actions of the Union of Soviet Socialist Republics during the Second World War.

35. The Government indicated that in 2012, a presidential decree was promulgated with the intention of promoting inter-ethnic harmony. Within its framework, a preventive response system had been set up that had prevented 95 inter-ethnic clashes. These legislative approaches were supported by actions of a selection of government ministries. The Ministry of Justice published lists of public associations, religious organizations and non-profit organizations whose activities have been suspended by court decision. As of April 2015, 42 organizations were on the list. Additionally, the Federal Service for Supervision in the Sphere of Telecommunication, Information Technologies and Mass Communications may directly block Internet sites and other forms of media that incite racial, ethnic, religious or social hatred or promote the ideas of Nazism. Finally, the Ministry of Culture and the State Archives were preparing a joint Russian-German exhibition entitled "Ways of overcoming the consequences of war: from confrontation to reconciliation: documents from the archives of Russia and Germany". Overall, special attention was paid to the implementation of the State Policy on Nationalities to encourage cooperation with international and non-governmental organizations to combat Nazism and neo-Nazism as well as other practices that contribute to fuelling contemporary forms of racism.

36. Finally, the Government also submitted separately a report entitled "Neo-Nazism: a dangerous threat to human rights, democracy and the rule of law" aimed at attracting the international community's attention to the global resurgence and proliferation of Nazi ideals and related extremist ideologies in several selected countries.

H. Serbia

37. The Government reported that several bodies, including the Council for National Minorities and the Interreligious Council, had been established within the Government to consider certain aspects of inter-ethnic and interreligious relations, including identifying problems and taking preventive actions. Representatives of national minorities and religious communities took part in the operations of these bodies.

38. The Government pointed out that the Criminal Code criminalized hate crimes, in particular those which incited national, racial and religious hatred and discrimination. In addition, in December 2012, the Criminal Code was amended to make hate crimes special aggravating circumstances in sentencing.

39. The Government referred to its Law on Public Information and Media, which prohibited the distribution of information invoking direct violence against a person or group on the basis of race, nationality, political affiliation, religion, sexual orientation, disability or other personal feature.

40. The Government made reference to its Law on Prohibition of Neo-Nazi or Fascist Organizations and Associations and Prohibition to Use Neo-Nazi or Fascist Symbols and Insignia, which prohibited members or supporters of Neo-Nazi and fascist groups from organizing events, disseminating neo-Nazi or fascist symbols, insignia, or promotional materials or acting in any way that promotes neo-Nazi and fascist ideas.

41. The Government indicated that its Law on Associations stipulated that an association may be prohibited from operating if it does not have the status of legal person and/or is not registered. The Government cited the cases of Nacionalni Stroj (National Machine) and Otacastveni Pokret Obraz (Patriotic Movement Honour), organizations that incited racial and national hatred which were banned by the Constitutional Court.

42. The Government also referred to its National Strategy for Combating Violence and Indecent Behaviour at Sports Events (2013-2018), which laid out the basic principles and security policy in the fight against violence and indecent acts in sport arenas based on racial, national, and religious grounds.

43. The Government reported that the Judicial Academy trains holders of judicial offices on subjects including the "Council of Europe and the European Convention on Human Rights" and "European Union law and human rights". Through such training, judicial officers acquired knowledge on European standards on human rights, discrimination, racism, xenophobia and hate speech.

44. The Government presented its Strategy on Improvement of the Status of Roma and two associated action plans which had been adopted in 2009. Serbia had also joined the international initiative of the Decade of Roma Inclusion. A solid framework for the promotion of the social status of Roma was thus established in the key areas of education, health care, employment and housing.

45. The Government referred to its National Programme of Marking the Anniversary of Historical Events of Liberation Wars of Serbia, which had been developed in recognition of the need to preserve a dignified memory of victims of and participants in armed conflicts in the past, in order to strengthen and further affirm the principles of patriotism, anti-fascism, understanding and cooperation as well as the fight against anti-Semitism. Important dates included the Memorial Day of the Victims of the Holocaust, Genocide and other Victims of Fascism in World War II (22 April) and the International Day against Fascism and Anti-Semitism (9 November).

46. Finally, the Government noted that workshops, seminars, conferences and round tables contributed to the professional training of teachers so that they could implement pedagogical methods in accordance with General Assembly resolution 69/160. Such projects included Intercultural Education (with the Open Society Foundation) and Holocaust Education (with the International Holocaust Remembrance Alliance, among others).

I. Turkey

47. The Government reported that, via a constitutional amendment, the provisions of international human rights treaties ratified by Turkey may be invoked directly before Turkish courts. Accordingly, the International Convention on the Elimination of All Forms of Racial Discrimination was an integral part of the Turkish national legislation.

48. The Government noted that the current Penal Code, which entered into force on 1 June 2005, penalized discrimination, hate crimes (art. 122), incitement to social, racial, religious or regional enmity or hatred (art. 216), genocide (art. 76), crimes against humanity (art. 77), unlawful collection of personal data, inter alia, on racial grounds (art. 135), the act of hindering the exercise of freedom of belief, thought or conviction (art. 115) and the act of damaging places of worship (art. 153).

49. The Government referred to the training of members of the law enforcement agencies on human rights standards. It also noted the courses on human rights given at the Justice Academy of Turkey for candidate judges and prosecutors and in-service training for staff of the Ministry of Justice. The training focused, inter alia, on prohibition of discrimination and the obligations of Turkey under the relevant United Nations and Council of European conventions and the case law of the European Court of Human Rights.

III. Contributions received from non-governmental and other organizations

A. Coalition of German non-governmental organizations, lawyers and academics

50. The report submitted by a coalition of German non-governmental organizations, lawyers and academics acting as co-plaintiffs (*Nebenkläger*) in the trial of members of the National Socialist Underground at the Higher Regional Court in Munich discussed that terrorist group and addressed the issue of racial discrimination exemplified by law enforcement investigations surrounding a series of murders and bombings that the group carried out.

51. The National Socialist Underground was accused of having committed at least 10 murders between 2000 and 2007. Nine of the victims had migrant backgrounds and the other victim was a policewoman. In addition to the murders, the group was allegedly accused of having committed three bombings. The target of the first bomb was a restaurant managed by a person with a Turkish background. The second was a grocery store owned by a person with an Iranian background. In the third attack, a nail bomb was detonated in a busy shopping street with many shops run by Turkish families. The coalition reported that the group funded itself by distributing anti-Semitic board games, receiving donations from extreme right-wing circles and committing bank robberies.

52. The Coalition alleged that from 1998 to 2011 law enforcement agencies did not seriously investigate the possibility that neo-Nazis could be the perpetrators of those hate crimes. It suggested that this failure may be due to institutional racism in

the context of investigations of racist offences. To combat institutional racism, the coalition stated that Germany should critically examine the statutory framework governing the public service in terms of discriminatory thought patterns and the values that these in turn convey to society. The results of such an examination should also include active measures to guarantee equal protection to all through efficient law enforcement.

B. Foundation for Sustainable Development for Bulgaria

53. The Foundation for Sustainable Development for Bulgaria expressed full support for General Assembly resolution 69/160, particularly in view of the current revival of fascism and extreme ideologies in both Europe and, more specifically, within Bulgaria's borders.

54. The organization highlighted concerns about the *Liukovmarsh*, an annual march held in February to celebrate General Lukov, a leader of the Bulgarian Legions that fought in the Second World War alongside the Nazis and Bulgarian fascists. The march featured Nazi symbols, including music, torches, shaved heads and acts of racial, ethnic and religious hatred. Another worrisome development within Bulgaria was the desecration of a monument to the Soviet Army in Sofia which commemorated the country's gratitude to the forces of the Soviet Union that liberated Bulgaria from fascist rule.

55. One of the forces driving these developments is the influence of the education system, which had a tendency to disregard the historical past and the truth regarding events that had occurred in the last century in Bulgaria and the rest of Europe by taking a more critical view of socialism than of Nazism and fascism. Young people were especially susceptible to extremist ideologies during times of unfavourable social and economic conditions such as were prevalent today.

56. In conclusion, the organization observed that Bulgaria had no laws or regulations forbidding pro-fascist and xenophobic manifestations and that legislation should be passed to prevent public demonstrations of neo-fascism, racism and xenophobia as they pose threats to humanity.

C. The Hampton Institute

57. The Hampton Institute provided information on Nazism and white supremacy in the United States military. According to the organization, there was a documented trend of neo-Nazi and white supremacist groups encouraging their members to seek State-sponsored military training to be put to use in carrying out or participating in domestic terrorism, or a "racial holy war", as well as a concerted effort on the part of white supremacist and neo-Nazi leaders to actively recruit members from within the ranks of the military. This trend had intensified since the beginning of the "war on terror", which had created a large pool of embittered soldiers and veterans returning to a bleak economic landscape caused by the prolonged economic downturn.

58. The organization also reported the rise of neo-Nazism and white supremacy on college campuses. Groups that wished to protect "white privilege" against what they view as an "attack on whiteness" had begun to surface on college campuses. These

groups had led to a rise in incidents of verbal abuse and violence directed at people of colour, members of the lesbian, gay, bisexual and transgender community and other groups. Such college organizations included Youth for Western Civilization, the Traditionalist Youth Network and the National Youth Front.

59. The organization also raised the issue of neo-Nazism protected by the State. According to the organization, in Toledo, Ohio, neo-Nazis had successfully utilized the State security apparatus to protect and shield themselves from mass popular resentment. One of the tactics neo-Nazis employed was to invoke their right under the First Amendment to the United States Constitution, which guaranteed the rights to religion, expression and assembly, to acquire police protection. In 2005, riot police clashed with local residents angered by a neo-Nazi demonstration in Toledo and the police protection provided to the group by the city. The city spent $100,000 to protect the neo-Nazis. In 2015, there was a similar demonstration and, although there were no clashes, the city spent over $76,000 on overtime pay to protect the neo-Nazis.

60. The organization also provided information on the Tea Party, a political movement in the United States that began during the 2008 presidential election, which it characterized as a proto-fascist political movement. According to the organization, the Tea Party had attempted to capitalize on elements of neo-Nazism and white supremacy. Many white nationalists viewed the Tea Party as an inroad to mainstream politics, a strategy that was debated on major white nationalist websites.

61. The organization also reported that the State of California had the highest number of neo-Nazi organizations and activities in the United States. According to the organization, the state had 68 active hate groups, many of them in southern California. Neo-Nazi and white supremacist groups flourished in particular in high desert areas and inland valleys. In addition, as Hispanic people moved into predominantly African-American neighbourhoods and African-Americans migrated to Nevada, Arizona and other states, there had been an increase in hate crimes against African-Americans. In 2013, the Los Angeles County Commission on Human Relations found that, on average, more than one hate crime took place each day in the county.

62. Finally, the organization presented for comparative purposes a study undertaken in Australia showing that neo-Nazi groups there were growing at an alarming rate and were getting harder to police because of social media. The two principal neo-Nazi organizations in Australia were Blood and Honour and the Southern Cross Hammerskins; many other smaller groups existed as well. Apart from distributing neo-Nazi propaganda, their main, semi-public activity was to organize a gathering in Melbourne each year to commemorate the death of the Blood and Honour founder, Ian Stuart Donaldson. Recently, Islamophobia had attracted many new supporters to these organizations.

D. International Association of Democratic Lawyers

63. The International Association of Democratic Lawyers drew attention to the human rights violations in Ukraine resulting from racism, discrimination, xenophobia and other forms of intolerance as well as government alliances with leaders of far-right nationalist groups. According to the organization, there had been

an increasing number of speeches in recent months advocating national, racial, religious or political hatred, along with instances of racist and xenophobic violence.

64. Additionally, war propaganda was pervasive in Ukraine, giving rise to attempts to identify "enemies" and "traitors". Ultranationalist far-right groups had fostered "anti-communist hysteria", leading to acts of vandalism, aggression and threats against leaders, members and sympathizers of communist groups.

65. The organization stressed that two issues required particular attention. The first was an attempt to ban the Communist Party of Ukraine by means of a suit filed in July 2014 by the Minister of Justice. Hearings were held in August and September, but the trial had been suspended indefinitely because one of the judges involved in the case had had his computer and other documents seized by law enforcement officials in a raid of his office. Concurrently, over 300 criminal proceedings have been initiated against Communist Party members.

66. The second issue concerned a package of four bills adopted on 9 April 2015 by parliament. Known as the "Decommunization Laws", the bills had been signed on 15 May and had gone into effect. They allegedly outlined an official version of twentieth-century Ukrainian history and made any challenge to the official version a criminal offence. The laws also banned the dissemination of communist ideology and the use of its symbols and provided for an extensive decommunization of the public space, including name changes for towns, streets and schools associated with the communist past. Additionally, the laws officially recognized members of the ultra-right political group, the Organization of Ukrainian Nationalists, as "fighters for the country's independence".

67. For these reasons, the International Association of Democratic Lawyers called upon the Government of Ukraine to fulfil its human rights obligations and put a stop to the current antidemocratic and belligerent trend in Ukraine.

E. Latvian Human Rights Committee

68. The Latvian Human Rights Committee addressed the events and actions taken during the years 2014-2015. The organization's first main concern was the glorification of the Latvian Legion of Waffen SS, the main Latvian unit that fought alongside the Nazis in the Pskov region of the Soviet Union in 1944. Although the parliament of Latvia could not officially celebrate 16 March as "Legion Day", owing to controversy, the day was nevertheless celebrated by many individuals who marched in the streets; there were typically between 1,000 and 1,500 marchers. While the current Head of Government and the Ministry of Foreign Affairs had tried to distance themselves from the marches by referring to freedom of expression, politicians spoke of the marches in terms of "pride" and "remembering heroes".

69. The second concern involved a musical staged in the cities of Riga and Liepaja dedicated to Herberts Cukurs, an aviator who had participated in the Holocaust as a member of the Arajs Commando. The Minister of Foreign Affairs of Latvia and the Ministry of Foreign Affairs of Israel had both condemned the musical. Despite these official positions, individuals, including the actor who played the leading role of Cukurs, claim that Cukurs was a victim of rumours and "a big fairy tale" and that there was no evidence of his having participated in the Holocaust.

70. The final concern raised had to do with political opposition to bills on returning real estate seized by the Nazis to the Jewish community. A member of the National Alliance, a right-wing political party, claimed that almost no properties had been taken during the Nazi occupation of Latvia and that one particular Jewish man who had written letters of protest to the President of Latvia was "close to "Russia" and "the Kremlin".

IV. Conclusions and recommendations

71. **The Special Rapporteur is grateful to the States and non-governmental organizations that provided information on the measures implemented pursuant to General Assembly resolution 69/160. He recalls the importance of full cooperation with his mandate, as stipulated in Human Rights Council resolution 25/32.**

72. **The Special Rapporteur notes that some submissions referred to the phenomena identified in resolution 69/160 and to the proliferation of extreme right-wing groups. Others stressed that no such phenomena existed within their borders. The Special Rapporteur wishes to reiterate that the challenges to human rights and democracy posed by extremist political parties, movements and groups are universal and that no country is immune to them. He calls upon States and all other stakeholders to increase their vigilance and to be proactive in strengthening efforts and political will to recognize and address them effectively.**

73. **The Special Rapporteur also wishes to reiterate that any commemorative celebration of the Nazi regime, its allies and related organizations, whether official or unofficial, should be prohibited by States. The Special Rapporteur wishes to recall paragraph 14 of resolution 69/160, in which the General Assembly stressed that such manifestations do injustice to the memory of the countless victims of the Holocaust, the crimes against humanity committed during the Second World War, in particular those committed by the SS organization and other Nazi groups, and negatively influence children and young people and that failure by States to effectively address such practices is incompatible with the obligations of States Members of the United Nations under its Charter.**

74. **In this regard, the Special Rapporteur recalls his condemnation of any manifestation of religious intolerance, incitement, harassment or violence against persons or communities on the basis of ethnic origin or religious belief. Furthermore, the Special Rapporteur remains concerned about the continued scapegoating of vulnerable groups, including migrants, asylum seekers and ethnic minorities. Such discourses remain powerful tools for politicians whose goal is to mobilize the masses to the detriment of social cohesion and human rights. The continued uncensored and unpunished expressions of supremacist, anti-Semitic and hateful opinions by some political leaders may indicate that societies are growing dangerously and increasingly tolerant of hate speech and extremist ideas.**

75. **The Special Rapporteur recalls several recommendations made in previous reports to the Human Rights Council (A/HRC/23/24, A/HRC/26/50 and A/HRC/29/47) and the General Assembly (A/68/329 and A/69/334) and**

wishes to reiterate that these remain valid and current. They are presented again below.

Legislative measures

76. The Special Rapporteur welcomes the information provided regarding the ratification of a range of instruments, including the International Convention on the Elimination of All Forms of Racial Discrimination, and the inclusion of the Convention in national legal and constitutional frameworks. He urges those States that have not yet done so to ratify the Convention and make the declaration under its article 14, thus providing competence to the Committee on the Elimination of Racial Discrimination to receive and consider communications from individuals or groups of individuals within its jurisdiction claiming to be victims of a violation by a State party of any of the rights set forth in the Convention (A/69/334, para. 77).

77. The Special Rapporteur is pleased to note that some countries have adopted legislation specifically to tackle the challenges posed by extremist political parties, movements and groups and have elaborated legal or constitutional provisions to prohibit organizations and associations that incite national, racial or religious hatred and violence and propagate fascist ideology (ibid., para. 78).

78. The Special Rapporteur encourages States to adopt the legislation necessary to combat racism, while ensuring that the definition of racial discrimination complies with article 1 of the International Convention on the Elimination of All Forms of Racial Discrimination. He calls for the updating of national anti-racism legislation in the light of the increasingly open expression of hate speech and incitement to violence against vulnerable groups. In this regard, he recalls that any legislative or constitutional measures adopted with a view to countering extremist political parties, movements and groups, including neo-Nazis and skinhead groups and similar extremist ideological movements, should be in conformity with the relevant international human rights standards. He also urges States to implement their obligations under article 4 of the International Convention on the Elimination of All Forms of Racial Discrimination and articles 19 to 22 of the International Covenant on Civil and Political Rights (ibid., para. 80).

79. The Special Rapporteur notes with appreciation that several States have prescribed in their criminal codes that racist and xenophobic motivation constitute an aggravating circumstance attracting heavier sanctions against not only instigators but also followers (ibid., para. 81). While welcoming the information provided regarding measures taken to prevent discrimination against members of minorities, people of African descent, Roma, migrants, refugees and asylum seekers and to ensure their integration into society, the Special Rapporteur wishes to urge States to ensure the full and effective implementation of legal, policy and institutional measures protecting these groups of individuals (ibid., para. 82).

80. The Special Rapporteur recommends that States effectively guarantee to these groups, without discrimination of any kind, the right to security and access to justice, adequate reparation, legal aid and appropriate information about their rights, as well as the prosecution and adequate sanction of those

responsible for racist crimes against them (ibid.), including the right to seek reparation for damages suffered as a result of such crimes. He also recommends that States ensure that victims of racist or xenophobic crimes are provided with the necessary legal, medical and psychological assistance and are made aware of their rights and of existing judicial and non-judicial remedies (A/HRC/29/47, para. 47).

81. The Special Rapporteur recalls paragraph 13 of the outcome document of the Durban Review Conference, which states that any advocacy of national, racial or religious hatred that constitutes incitement to discrimination, hostility or violence shall be prohibited by law, as shall be the dissemination of ideas based on racial superiority or hatred, incitement to racial discrimination as well as all acts of violence or incitement to such acts. In that regard, the Special Rapporteur calls upon all States to respect the commitments made in the outcome document, which is a comprehensive framework for action against racism, racial discrimination and xenophobia (A/HRC/29/47, para. 45).

Political measures

82. The Special Rapporteur calls upon States and all stakeholders to counter extremist political parties, movements and groups, including neo-Nazis, skinhead groups and similar extremist ideological movements. While good practices have been identified, several challenges remain, such as the rise in extremist political parties, movements and groups, including neo-Nazis, skinhead groups and similar extremist ideological movements, which continue to pose major human rights and democratic challenges, especially in the context of the continued economic crisis in several States. Greater vigilance from all relevant actors is therefore important. A comprehensive approach based on a solid legal framework, complemented by other key measures such as education and awareness-raising programmes, and victim-centred approaches should be further developed. Good practices such as those mentioned in document A/HRC/29/47 should also be exchanged on a regular basis among all actors working in this field (A/HRC/26/50, para. 43).

83. The Special Rapporteur reiterates his call to political leaders and parties to strongly condemn all messages disseminating ideas based on racial superiority or hatred, incitement to racial discrimination or xenophobia. These leaders should be aware of the moral authority they represent and use it to promote tolerance and respect, and refrain from forming coalitions with extremist parties of a racist or xenophobic character. Respect for human rights and freedoms, democracy and the rule of law should always be the cornerstone of all their programmes and activities, taking into account the need to ensure that political and legal systems reflect the multicultural character of their societies (ibid., para. 44).

Education and capacity-building

84. The Special Rapporteur recalls that education remains the most effective means of countering the negative influence that extremist political parties, movements and groups may have on young people. Recalling his report to the Human Rights Council at its twenty-third session (A/HRC/23/56), he recommends that States recognize the important role of education in combating

racism, racial discrimination, xenophobia and related intolerance, especially in promoting the principles of tolerance and respect for ethnic, religious and cultural diversity and preventing the proliferation of extremist racist and xenophobic movements and propaganda. Law enforcement officials and members of the judiciary should also be enabled to address crimes motivated by racist, xenophobic, anti-Semitic or homophobic biases by means of comprehensive and mandatory human rights training, with a specific focus on racist and xenophobic crimes perpetrated by individuals linked to extremist political parties, groups and movements (A/HRC/23/24, para. 34).

85. The Special Rapporteur welcomes the organization of awareness-raising activities, such as cultural events, festivals, conferences, seminars, competitions, exhibitions, research work and publications as well as information campaigns and other events aimed at providing a space for intercultural dialogue and interaction, which contribute to the building of a society based on pluralism, tolerance, respect for cultural diversity, multiculturalism and non-discrimination (A/HRC/29/47, para. 53).

The Internet and social media

86. The Special Rapporteur reiterates his concerns regarding the increased use of the Internet and social media by extremist political parties, movements and groups to promote and disseminate racist content (A/HRC/26/49 and Corr.1). He calls upon States to take all opportunities, including those provided by the Internet, to counter the dissemination of ideas based on racial superiority or hatred and promote the values of equality, non-discrimination, diversity and democracy while respecting their obligations under articles 19 and 20 of the International Covenant on Civil and Political Rights. States should adopt measures to counter those ideas and biases and strengthen freedom of expression and freedom of assembly and association, which play a crucial role in promoting democracy and combating racist and xenophobic ideologies based on racial superiority (A/HRC/23/24, para. 35).

Sports

87. The Special Rapporteur calls upon States to strengthen measures to prevent racist and xenophobic incidents at sports events. As he indicated in his report to the General Assembly in 2014 (A/69/340), he emphasizes the key role of sports in promoting cultural diversity, tolerance and harmony. The Special Rapporteur recommends that States and other relevant stakeholders, such as sports federations, take advantage of sports events to promote the values of tolerance and respect. He recalls paragraph 218 of the Durban Programme of Action, in which States, in cooperation with intergovernmental organizations, the International Olympic Committee and international and regional sports federations, are urged to pursue the efforts against racism in sport, in particular by educating youth through sport practised without discrimination of any kind and in the Olympic spirit of human understanding, tolerance, fair play and solidarity.

Holocaust denial

88. **The Special Rapporteur reiterates his absolute condemnation of any denial or attempt to deny the Holocaust and all manifestations of religious intolerance, incitement, harassment or violence against persons or communities based on ethnic origin or religious belief. He calls for the active preservation of the sites which served as Nazi death camps, concentration and forced labour camps and prisons and urges States to take legislative and educational measures to put an end to Holocaust denial (A/69/334, para. 76).**

Civil society

89. **The Special Rapporteur recalls the importance of cooperating closely with civil society and international and regional human rights mechanisms to effectively counter extremist political parties, movements and groups, including neo-Nazis, skinhead groups and similar extremist ideological movements. In particular, the role played by civil society in collecting information, working closely with victims and promoting democratic principles and human rights should be emphasized and the sharing of good practices continue among all relevant stakeholders. The Special Rapporteur welcomes coordination between governmental structures and civil society in order to maximize efforts on anti-discrimination policies. He encourages such coordinated efforts and recommends inclusion of a variety of actors, such as civil society actors, national human rights institutions and the media. He also calls upon national human rights institutions and equality bodies to develop appropriate programmes to promote tolerance of and respect for all and to collect relevant information (A/HRC/23/24, para. 36).**

The media

90. **The Special Rapporteur wishes to stress the positive role played by the media in combating the spread of extremist ideas, in particular in combating stereotypes, promoting a culture of tolerance and playing an integrative role by providing space for ethnic minorities to also have their voice heard (A/69/334, para. 90).**

Need for statistics and disaggregated data

91. **The Special Rapporteur reiterates his previous recommendations in past reports concerning the need to collect disaggregated data and statistics on racist, xenophobic, anti-Semitic and homophobic crimes in order to identify the types of offences committed, the characteristics of the victims and the perpetrators and whether they are affiliated with an extremist political party, movement or group. Such disaggregated data would enhance a better understanding of the phenomenon and identify effective measures to be taken to address these crimes.**

Other

92. **Finally, the Special Rapporteur, in acknowledging the importance of keeping the issue of glorification of Nazism and other practices that contribute to fuelling contemporary forms of racism, racial discrimination, xenophobia and related intolerance on the international agenda, would like to refer to the**

work his mandate has undertaken in this regard. The present report is the eighth that he has been requested to present on this issue and he has so far endeavoured always to fulfil the request with great commitment and understanding by preparing a report on this subject twice a year, for submission to both the Human Rights Council and the General Assembly. The Special Rapporteur considers that it is time to turn to alternative ways to continue to devote attention to this phenomenon. These could include the submission of one report on this topic to the Assembly only, which would allow the collection of views on the basis of submissions received in accordance with paragraph 43 of resolution 69/160, along with other ways to engage in a constructive dialogue with Member States and other stakeholders on this important issue, including communications and country visits. He hopes that the Assembly will take these suggestions into account in its deliberations and in the adoption of its resolution on this topic.

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Financial reports and audited financial statements, and reports of the Board of Auditors

Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2014

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly, pursuant to resolution 47/211, a concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors on its audit of accounts for the year ended 31 December 2014.

* A/70/150.

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Letters of transmittal

Letter dated 30 June 2015 from the Chair of the Board of Auditors addressed to the President of the General Assembly

I have the honour to transmit to you a concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2014.

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the
United Republic of Tanzania
Chair of the Board of Auditors

Letter dated 30 June 2015 from the Chair of the Board of Auditors addressed to the Secretary-General

I have the honour to transmit to you the concise summary of the principal findings, conclusions and recommendations contained in the reports prepared by the Board of Auditors for the General Assembly at its seventieth session.

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the
United Republic of Tanzania
Chair of the Board of Auditors

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Abbreviations

IPSAS	International Public Sector Accounting Standards
ITC	International Trade Centre
UNAMID	African Union-United Nations Hybrid Operation in Darfur
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNISFA	United Nations Interim Security Force for Abyei
UNITAR	United Nations Institute for Training and Research
UNMIS	United Nations Mission in the Sudan
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNU	United Nations University
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
WFP	World Food Programme

Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2014

Summary

The General Assembly, in its resolution 47/211, invited the Board of Auditors to report in a consolidated fashion on major deficiencies in programme and financial management and cases of inappropriate or fraudulent use of resources together with the measures taken by the relevant entities. The findings and conclusions included in the present report relate to the common themes and major issues identified in the Board's reports addressed to the General Assembly on 20 entities, including the United Nations peacekeeping operations and United Nations Joint Staff Pension Fund (see annex 1). The contents of the Board's reports to the Security Council and other governing bodies are not summarized herein.

The present report summarizes the major issues, including on performance matters, reported in the separate reports on the United Nations entities submitted to the General Assembly. Most of the issues contained in the present report are of a cross-cutting nature on the pre-determined audit themes based on established audit risks and special requests by the Advisory Committee on Administrative and Budgetary Questions.

Detailed findings and recommendations relating to individual entities are contained in their respective audit reports.

I. Scope and mandate

1. The present report includes findings and conclusions identified in the Board's reports in 2014, addressed to the General Assembly, on 20 entities, including the United Nations peacekeeping operations and the United Nations Joint Staff Pension Fund (see annex I).[1] The Board also draws on its reports on two stand-alone topics for the same period.[2]

2. From 2014 onwards, as noted by the General Assembly in its resolution 68/19, as all entities have implemented IPSAS and are reporting annually, the Board will issue its concise summary on an annual basis. The detailed findings and recommendations relating to individual entities are contained in their respective audit reports.

3. On 27 January 2014, the Chair of the Advisory Committee on Administrative and Budgetary Questions, in the context of resolution 68/19, requested the Board to continue to provide information on cross-entity issues, namely, the need for:

- Enhanced control and monitoring over implementing partners owing to the potential for abuse by third parties that execute activities on behalf of United Nations entities;
- Strengthened core business functions, such as procurement, contract management and financial and budgetary management, through enhancement of staff skills;
- Enhanced oversight, accountability and governance for globally dispersed operations and the achievement of an optimal balance between decentralized delegated authority and the appropriate level of monitoring and control by the respective headquarters offices.

4. The request was reiterated on 19 February 2015 in the context of resolution 69/249. The Board has continued to report on cross-entity issues in its entity-level reports. It has also included commentary in the present summary report on employees benefits liabilities (sect. II. C), IPSAS implementation and realization of benefits (sect. II. D), accountability and governance for globally dispersed operations (sect. II. E), implementing partners (sect. II. F), awareness of fraud risks (sect. II. G), staff skills relating to core business functions (sect. II. H) and budget implementation (sect. II. I).

5. In addition, on 26 January 2015, the Chairman of the Advisory Committee requested the Board to expand its comprehensive audit of official travel financed from peacekeeping budgets to include official travel undertaken by special political missions (see A/69/628, para. 32).

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[1] To better support the General Assembly in its governance role, the Board includes United Nations peacekeeping operations in the present report to provide a more comprehensive picture of major deficiencies identified in its reports. The peacekeeping operations have an annual financial cycle ending 30 June and, therefore, the figures related to those operations are as at that date unless otherwise indicated. Since 2012, nine entities have implemented IPSAS and prepared financial statements on an annual basis. As at 1 January 2014, all the remaining entities had adopted IPSAS and are now reporting annually.

[2] The annual reports of the Board on Umoja and the capital master plan.

6. In addition, the Advisory Committee requested the Board to expand coverage of its audit of information and communications technology (ICT) expenditure in the United Nations peacekeeping operations to all Secretariat entities, main duty stations and other field-based offices and report thereon in the context of a future report of the Board (see resolution 69/262, sect. II, para. 17).

II. Overall matters for the United Nations

A. Audit opinions

7. The Board of Auditors audited the financial statements and reviewed the operations of 20 organizations, including the United Nations peacekeeping operations and the United Nations Joint Staff Pension Fund (see annex I), in accordance with General Assembly resolution 74 (I) of 7 December 1946. All 20 entities received unqualified audit opinions.

8. Only one entity, the International Criminal Tribunal for Rwanda, had an emphasis of matter drawing attention to the timelines and processes for the closure of the Tribunal and the transfer and disposal of its assets and liabilities to the International Residual Mechanism for Criminal Tribunals. However, its audit opinion is not qualified.

9. The Board has issued short-form reports reflecting its audit opinions together with long-form reports, which contain detailed findings and recommendations arising from each audit (annex II contains a description of the types of audit opinions).

10. Despite some challenges faced by all entities in the process of adopting IPSAS, the Board notes a trend of continuing improvement in the preparation processes related to financial closure and the presentation of financial statements. This was a significant achievement that shows the commitment of United Nations entities to delivering on their respective responsibilities for reporting their use of financial resources in accordance with the IPSAS framework.

B. Financial performance

Out-turn

11. Of the 20 audited entities, 14 closed the financial year with a surplus, while 6 reported deficits. Six entities (the United Nations Capital Development Fund, UNEP, UN-Habitat, UNICEF, UNRWA, and UN-Women) recorded the highest surpluses, ranging from $11 million to $573 million. The scale of surplus is explained by the operationalization of resource mobilization strategies, including the diversification of donor-bases and strengthening of relationships with donors, as well as increases of humanitarian aid to respond to ongoing conflicts in some areas of operation, such as the Gaza Strip and the Syrian Arab Republic. In some cases (e.g., UNEP and UN-Habitat), however, the large surpluses were a result of delays in implementing some of the activities planned for the year.

12. Table 1 shows a comparison of net assets in 2013 and 2014. The financial statements of six entities (the International Criminal Tribunal for Rwanda, the

International Criminal Tribunal for the Former Yugoslavia, UNDP, UNHCR and the operations of the United Nations as reported in volume I) showed declining reserves resulting from deficits ranging from $1.0 million to $348.2 million. Two entities (UNDP and the operations of the United Nations as reported in volume I) also reported deficits in 2013. Such sustained deficits will weaken the financial reserves and could have a negative impact on the overall financial health of the entities and on their ability to meet some of their liabilities.

Table 1
Net assets held as at 31 December 2014
(Thousands of United States dollars)

	Net assets		*Variance increase (decrease)*		
Entity	*December 2014*	*December 2013 restated*	*Percentage*	*Improved declined*	*Reasons for the variance*
United Nations (Vol. I)	1 689 895	2 999 514	(44)	Declined	Actuarial losses on after-service health insurance revaluation and deficit recorded for the year.
United Nations peacekeeping operations	954 507	1 159 028	(18)	Declined	Mainly because of an increase in employee benefits liabilities.
ITC	16 574	30 727	(46)	Declined	Actuarial losses on revaluation of after-service health insurance (partly offset by a surplus).
United Nations Capital Development Fund	109 870	80 525	36	Improved	Increase in investments in 2014.
UNDP	4 185 237	4 729 874	(12)	Declined	Decline in voluntary contributions in 2014.
UNEP	1 136 568	1 014 007	12	Improved	Increase in unrestricted fund balances.
UNFPA	727 430	759 394	(4)	Declined	Increase in programme implementation under earmarked resources and actuarial losses on after-service health insurance.
UN-Habitat	323 227	316 159	2	Improved	Decrease in surplus of earmarked resources and increase of unfunded portion of employee benefits liabilities.
UNICEF	4 468 435	4 104 155	9	Improved	Accumulated surplus increased but the reserves declined. Actuarial loss of $207 million and reduction in investment reserves by $2 million were offset by an increase in reserves by apportionment from the surplus for the year of $37 million, resulting in a decrease in reserves of $172 million (pursuant to note 20 of the financial statements of UNICEF for 2014). However there was an overall increase in net assets.

Entity	Net assets		Variance increase (decrease)		Reasons for the variance
	December 2014	December 2013 restated	Percentage	Improved declined	
UNITAR	16 200	13 890	17	Improved	Variance was mainly due to operating surplus.
UNHCR	1 125 000	1 528 000	(26)	Declined	Actuarial losses on after-service health insurance and a gross increase in staff benefit liabilities of $142 million. In addition, increased operational activity in 2014 created an excess of expenditure, depleting accumulated reserves.
United Nations Joint Staff Pension Fund	52 883 484	51 472 754	2.7	Improved	Decrease of end-of-service payments due to the increase of the retirement age to 65.
UNODC	471 711	493 791	(4)	Declined	Mainly due to a reduction in non-current asset voluntary contributions.
UNOPS	78 500	82 756	(5)	Declined	Actuarial losses on after-service health insurance revaluation exceeding surplus generated from operational activities.
UNRWA	320 066	274 531	17	Improved	Mainly owing to the increase in donor contributions to UNRWA emergency appeals in response to the conflicts in the Gaza Strip and the Syrian Arab Republic.
UNU	389 031	395 412	(2)	Declined	The marginal decline was due to the 2014 deficit and actuarial losses on employee benefits liabilities.
UN-Women	345 647	298 325	16	Improved	The operational reserve was increased by $2.8 million (13 per cent) in accordance with Executive Board decision 2012/8 (see UNW/2012/16).
International Criminal Tribunal for Rwanda	(22 457)	(13 385)	(68)	Declined	The movement in net assets during the year was a result of the restatement for IPSAS compliance and net actuarial gains owing to experience adjustments incorporated into the actuarial calculation of the employee benefits liabilities.
International Criminal Tribunal for the Former Yugoslavia	6 287	23 304	(73)	Declined	The movement in net assets during the year was compounded by actuarial losses and the net effect of the restatement for IPSAS compliance.

Entity	Net assets: December 2014	Net assets: December 2013 restated	Variance: increase (decrease): Percentage	Improved declined	Reasons for the variance
International Residual Mechanism for Criminal Tribunals	31 226	1 172	2 664	Improved	Funds received for construction of the premises of the International Residual Mechanism for Criminal Tribunals in Arusha.

Source: 2013 and 2014 financial statements for United Nations organizations.

Ratios

13. The Board has used ratio analysis, when relevant,[3] to assess financial sustainability and liquidity across United Nations entities (table 2). Generally, a ratio of 1:1 or greater is considered to be a sound indicator of financial sustainability and liquidity, enabling the entities to meet all current liabilities without disposal of non-current assets.

Table 2
Ratio analysis as at 31 December 2014

Entity	Current ratio[a]: Current assets : current liabilities		Total assets : total liabilities[b]		Cash ratio[c]: Cash + short-term investments : current liabilities		Quick ratio[d]: Cash + short-term investments + accounts receivable : current liabilities	
	2014	2013	2014	2013	2014	2013	2014	2013
UNICEF	2.79	3.18	2.04	2.05	1.33	1.73	2.01	2.53
UNRWA	3.03	2.41	1.48	1.35	1.83	1.57	2.52	2.14
UNFPA	2.5	4.6	2.3	2.9	1.7	2.9	2.1	4.2
UN-Women	12.6	8.9	5.2	4.7	9.9	7.2	10.3	7.6
UNDP	3.62	4.42	2.81	3.37	3.12	3.86	3.34	4.09
UNHCR	6.87	8.7	2.28	3.2	3.1	3.5	5.7	7.3
UNOPS	0.63	0.73	1.07	1.08	0.57	0.67	0.61	0.78
United Nations Capital Development Fund	22.5	30.2	7.6	6.9	17.3	24.1	22.0	28.5
United Nations Vol. I	2.73	–	1.29	–	1.5	–	3.36	–
United Nations peacekeeping operations	0.97	–	1.25	–	0.51	–	0.80	–
ITC	2.84	–	1.14	–	1.26	–	2.77	–
International Residual Mechanism for Criminal Tribunals	2.6	–	4.0	–	4.0	–	3.5	–
UNEP	4.84	–	3.79	–	1.61	–	3.72	–

[3] Owing to the differing nature of operations and mandates, we have not included similar ratios for the United Nations Joint Staff Pension Fund.

Entity	Current ratio[a] Current assets : current liabilities		Total assets : total liabilities[b]		Cash ratio[c] Cash + short-term investments : current liabilities		Quick ratio[d] Cash + short-term investments + accounts receivable : current liabilities	
	2014	2013	2014	2013	2014	2013	2014	2013
UN-Habitat	4.72	–	3.89	–	0.42	–	3.94	–
UNITAR	4.98	–	2.15	–	2.95	–	4.58	–
UNODC	3.1	–	2.41	–	1.62	–	3.22	–
UNU	7.63	–	5.87	–	7.31	–	7.59	–
International Criminal Tribunal for Rwanda	2.34	–	0.72	–	2.3	–	1.45	–
International Criminal Tribunal for the Former Yugoslavia	1.1	–	5.3	–	3.2	–	3.3	–

Source: Board analysis of financial statements.

Note: All entities without 2013 comparative figures adopted IPSAS in 2014.

[a] A high ratio indicates an entity's ability to pay off its short-term liabilities.

[b] A high ratio is a good indicator of solvency.

[c] The cash ratio is an indicator of an entity's liquidity that measures the amount of cash, cash equivalents and invested funds there are in current assets to cover current liabilities.

[d] The quick ratio is more conservative than the current ratio because it excludes inventory and other current assets that are more difficult to turn into cash. A higher ratio means a more liquid current position.

14. During 2014, all entities demonstrated financial sustainability, as their total assets exceeded total liabilities and, therefore, they had sufficient assets to cover their immediate and longer-term liabilities. The current ratio of two entities (United Nations peacekeeping operations and UNOPS), was below one, indicating that they did not have sufficient current assets to meet their current obligations as at 31 December 2014.

15. The Board highlights the following issues regarding the financial ratios:

- With respect to 2014 current ratios, the ratios of total liabilities to total assets and the cash ratios for the entities that adopted IPSAS in 2012 (except UN-Women and UNRWA) declined compared to the 2013 figures. The decline is explained by investments in long-term portfolios and the changes in the discount rates applied by the actuary when valuing post-employment benefits. On the other hand, the ratios for UNRWA and UN-Women increased as a result of contributions received at the end of the financial year.
- A similar decline in the quick ratio is noted for those entities that adopted IPSAS in 2012. However, UNRWA, UN-Women and the United Nations Capital Development Fund had an improved liquidity position owing to the receipt of monetary assets towards the end of the year.
- Movement in the ratios for the entities that adopted IPSAS in 2014 can only be assessed from 2015 financial statements, when comparative figures become available.

C. Employees benefits liabilities

16. The Board has continued to review the actuarial valuation of accrued end-of-service and post-retirement liabilities and to monitor progress in the management of those liabilities, as summarized in table 3 below. The increases generally reflect updated management assumptions on life expectancy of employees, health-care costs and the discount rates used in the actuarial valuations.

Table 3
Employees benefits liabilities in the United Nations and its funds and programmes
(Thousands of United States dollars)

	Employees benefits liabilities[a]			*After-service health insurance*			
Organization	*2014*	*2013*	*Increase (decrease) (percentage)*	*2014*	*2013*	*Increase (decrease) (percentage)*	*Has funding plan*
United Nations Vol. I	4 866 217	3 764 430	35	4 178 673	3 223 015	30	No
United Nations peacekeeping operations	1 420 431	1 183 133	20	1 036 607	896 991	16	No
ITC	90 272	65 069	39	79 845	55 922	43	No
United Nations Capital Development Fund	16 075	12 828	25	13 874	7 899	76	Yes
UNDP	1 413 106	1 113 686	27	1 141 510	858 155	33	Yes
UNEP	165 877	113 888	46	121 186	84 725	43	No
UNFPA	332 084	259 331	31	282 022	209 399	35	Yes
UN-Habitat	35 857	24 687	45	24 750	17 805	39	No
UNICEF	1 298 294	1 018 904	27	1 081 082	816 022	32	Yes
UNITAR	7 139	6 404	61	7 838	4 897	60	No
UNHCR	710 518	565 037	26	545 477	417 590	31	Yes
United Nations Joint Staff Pension Fund	76 992	56 319	37	68 717	51 174	34	Yes
UNODC	119 065	87 523	36	94 219	64 056	47	No
UNOPS	87 069	67 158	27	52 308	38 229	37	Yes
UNRWA	560 268	526 557	6.4	488	495	1.4	No
UNU	17 884	12 063	48	11 799	8 381	41	Yes
UN-Women	73 161	52 605	39	53 200	36 191	47	Yes
International Criminal Tribunal for Rwanda	55 281	56 753	(3)	41 153	40 895	1	No
International Criminal Tribunal for the Former Yugoslavia	54 255	71 703	(24)	36 684	28 544	29	No
International Residual Mechanism for Criminal Tribunals	12 196	3 308	269	7 798	1 659	370	No
Total	**11 412 041**	**9 058 463**	**26**	**8 879 230**	**6 046 022**	**47**	

Source: Financial statements for 2013 and 2014.
[a] Employees benefits liabilities include after-service health insurance.

17. As indicated in table 3 above, the aggregate amount of these liabilities was estimated at $11.41 billion as at 31 December 2014, a sharp increase of $2.35 billion (26 per cent) from $9.06 billion as at 31 December 2013. The increase of $2.35 billion is broadly attributable to the change in inflation rates and discount rates used in actuarial valuations.

18. The Board highlights the following issues regarding the end-of-service liabilities:

- While all entities are now fully disclosing their end-of-service liabilities, thus increasing the visibility of the general level of growth, only a few entities have developed funding plans for those liabilities. Without such plans, entities will face the risk that escalating costs could have a detrimental impact on their ability to pay their end-of-service liabilities in the future;
- Only nine entities have funding plans; however, they do not have clear funding strategies to meet their liabilities. The remaining 11 entities have opted for the pay-as-you-go approach. For instance, the resource mobilization policy of UNRWA is focused on meeting the immediate humanitarian needs of Palestine refugees within a challenging operational environment. UNRWA stated that its end-of-service liabilities would be addressed following a just and durable solution to the Palestine refugee question, and that it, therefore, would rely on the operations of the United Nations as reported in volume I to meet those liabilities in the event that its own services were closed down. However, no written commitment and/or corresponding provision of funds has been made by the latter.

19. The pay-as-you-go basis can be a valid mechanism for funding liabilities, but it runs the risk that the entity will be increasingly unable to fund end-of-service liabilities from its existing resources in the event of any significant changes to its operations or mandate. A funding plan provides clarity on the approach adopted and places the funding decision within a clear process of accountability.

D. Implementation of the International Public Sector Accounting Standards and realization of benefits

20. In accordance with General Assembly resolution 61/233, and in response to the comments of the Advisory Committee on Administrative and Budgetary Questions regarding the adoption of IPSAS (see A/65/782, paras. 18 and 19), the Board has continued to assess the status of IPSAS implementation in its entity-level reports.

21. While the entities that have adopted IPSAS since January 2012 have demonstrated continued efforts to clear up the deficiencies reported in the past two years, the Board noted that those entities still faced several challenges. For instance, of the nine entities in question, only four (United Nations Capital Development Fund, UNDP, UNFPA and UN-Women) have developed structured benefit realization plans intended to demonstrate how IPSAS adoption has achieved the intended objectives. The majority of entities, therefore, have not been able to show the qualitative and quantitative benefits they have realized since their adoption of IPSAS (see table 4 below). ITC, UNEP, UN-Habitat, the operations of the United Nations as reported in volume I and the United Nations peacekeeping operations,

which adopted IPSAS in 2014, have developed benefit realization plans, but those plans are in need of improvement.

Table 4
Implementation of the International Public Sector Accounting Standards and realization of benefits

Entity	*Quality of accounting policies*	*Ability to produce timely, high-quality financial statements*	*Have a benefit realization plan and use IPSAS data for decision-making*	*Other matters, weaknesses observed*
United Nations (Vol. I)	Good	Not satisfactory	Yes	The boundary between volume I and volume II is defined based on common governance arrangements and, while compliant with IPSAS, is not rigid. For example, volume I contains two peacekeeping operations.
United Nations peacekeeping operations	Satisfactory	Not satisfactory	Yes	The Administration recognized liability, made provision of $300.9 million for uncommitted appropriations for 2013/14. The Administration also revised accounting policy disclosures by specifying the threshold limit for the capitalization of different categories of plant, property and equipment, subclasses of assets and their useful life and the materiality threshold for the capitalization of non-financial inventory.
ITC	Good	Satisfactory	Yes	Overall, there was a high error rate. ITC had to make some material adjustments to the accounts mainly in relation to exchange rates and completeness. Processes need to be better embedded to ensure that management identifies accrual transactions and more deeply embeds IPSAS principles into the wider business.
United Nations Capital Development Fund	Good	Satisfactory	Yes	No material weakness were noted in IPSAS.
UNDP	Good	Satisfactory	Yes	UNDP had pending milestone amounts, with estimated completion dates ranging from 20 June 2012 to 31 December 2014, amounting to $3.23 million. Untimely clearance of due date milestones creates a risk that revenue may be inaccurately recorded in the financial statements. The Board reviewed the IPSAS dashboard and noted that $0.38 million, $2.84 million and $2.93 million have been outstanding since December 2011, December 2012 and December 2013, respectively. Despite having these long-outstanding receivable balances, no assessments have been done by UNDP to determine the need for the provision of an allowance for doubtful debts.
UNEP	Good	Satisfactory	Yes	The weaknesses identified during the IPSAS opening balances audit were all subsequently cleared during the final audit.
UNFPA	Good	Satisfactory	Yes	None

Entity	*Quality of accounting policies*	*Ability to produce timely, high-quality financial statements*	*Have a benefit realization plan and use IPSAS data for decision-making*	*Other matters weaknesses observed*
UN-Habitat	Good	Satisfactory	Yes	Deficiencies, including lack of standard operating procedures for assets below the property, plant and equipment threshold and the incorrect recognition of loans, were not adjusted as management considered them to be quantitatively immaterial. The Board, however, is of the view that they should also be rectified because they are at risk of being misstated.
UNICEF	Good	Good	No	Management needs to establish clear guidelines and define direct costs that could be attributed to programmes and projects so as to enhance adherence to the distinction between programme budgets as envisaged in the Financial Regulations and Rules.
UNITAR	Satisfactory	Satisfactory	No	Certain deficiencies, such as an understatement of current liabilities, were noticed during the audit of financial statements and were revised by UNITAR.
UNHCR	Good	Good	No	Use of the richer IPSAS data will be enhanced by the upgrade to the enterprise resource planning system in 2017.
United Nations Joint Staff Pension Fund	Good	Good	No	The United Nations Joint Staff Pension Fund did not have a cash flow statement but agreed to prepare one as part of financial statements from 2015 onward.
UNODC	Satisfactory	Satisfactory	No	Until the new enterprise resource planning system is implemented in 2016, the accounts process will involve significant manual intervention, increasing the risk of error. Legacy financial systems do not capture the information required for IPSAS purposes, making accounts preparation unduly difficult.
UNOPS	Satisfactory	Satisfactory	No	Until the new enterprise resource planning system is implemented in 2016, the accounts process will involve significant manual intervention, increasing the risk of error. Legacy financial systems do not capture the information required for IPSAS purposes, making accounts preparation unduly difficult.
UNRWA	Good	Satisfactory	No	Inadequate knowledge of IPSAS requirements has led to inaccurate figures, non-recognition of some revenue contributions from multi-year agreements and deficiencies in measurements and disclosure.
UNU	Good	Good	No	None
UN-Women	Good	Satisfactory	Yes	None
International Criminal Tribunal for Rwanda	Good	Not satisfactory	No	Failed to produce dry-run statements as planned, as several challenges were encountered in the process.
International Criminal Tribunal for the Former Yugoslavia	Good	Not satisfactory	No	Failed to produce dry-run statements as planned, as several challenges were encountered in the process.

Entity	*Quality of accounting policies*	*Ability to produce timely, high-quality financial statements*	*Have a benefit realization plan and use IPSAS data for decision-making*	*Other matters weaknesses observed*
International Residual Mechanism for Criminal Tribunals	Good	Not satisfactory	No	Failed to produce dry-run statements as planned, as several challenges were encountered in the process.

Source: Board reports 2014.
Key:
Good — No substantial deficiencies were noted in any financial statement line items nor in the format of presentation.
Satisfactory — Minor deficiencies were noted.
Not satisfactory — Several material misstatements or deficiencies were noted and rectified post-audit.

22. The Board acknowledges that the entities that adopted IPSAS in 2014 have just started the process of benefits realization. The operations of the United Nations as reported in volume I have developed a benefits realization plan, including opportunities for some longer-term changes. Key benefits expected from IPSAS include alignment with best practices, improved stewardship of assets and liabilities, more comprehensive information on costs, improved transparency and accountability and greater consistency across the United Nations system.

23. All entities audited in 2014 had varying levels of errors in the preparation of financial statements, which necessitated some adjustments or revisions. The major areas of concern were non-recognition of some contributions from multi-year agreements, incorrect measurement and disclosure of property, plant and equipment, inventory recognition and foreign exchange transactions that resulted in the misstatement of some balances. Four entities (the International Criminal Tribunal for the Former Yugoslavia, the International Criminal Tribunal for Rwanda, the International Residual Mechanism for Criminal Tribunals, and the operations of the United Nations as reported in volume I did not produce dry-run financial statements, which could have minimized the number of errors noted during the audit of financial statements. As expected in the first year of such a major change to the accounting framework, the Board identified a number of significant audit adjustments. All material misstatements were amended by management as part of the normal audit process.

24. Overall, the delivery of IPSAS-compliant financial statements for all United Nations entities has been a significant achievement. However, the ultimate test of success will be to further develop and sustain a strong financial function to prepare high-quality financial statements, underpinned by more accurate data from financial systems. The Board has observed the need to use IPSAS to drive improved financial management more widely across the operations of the United Nations entities and to provide a better focus on timely and accurate data to support financial and cost accounting. The Board will continue to stress the need for clear benefits realization plans and the benefits accruing to financial management within each of the entities.

E. Governance, accountability and risk management

25. To deliver the objectives of an organization, management needs to establish an effective system of governance and internal control. Anything that threatens the

delivery of the objectives needs to be identified and actively managed, and this is why an organization-wide approach to risk management is of fundamental importance.

Managing globally dispersed operations

26. The United Nations and its funds and programmes have continued to evolve as decentralized organizations. Many operate devolved field networks and rely on third parties to deliver large parts of their mandates, often in some of the most challenging environments in the world. This has, over time, created a complex network of organizations, reporting lines and relationships, in which accountabilities are often unclear. It is vital, in order to deliver on important mandates and secure value for money from the use of increasingly scarce public resources, that the United Nations and its funds and programmes operate to the highest standards of modern governance, accountability and transparency.

27. The appropriate delegation of authority is a functional necessity in globally dispersed international organizations. In January 2010, the Secretary-General accepted that the prevailing management information systems inadequately supported the delegation process and that there was a need to clarify the responsibilities of all involved through a clear vertical chain-of-command and a central repository of all delegations of authority.

28. UNDP, UNRWA and UN-Women reported clear accountability of resources and delegation of authority at their respective headquarters. For example, UNDP had embarked on a staged restructuring to strengthen its regional presence to better delegate less strategic functions and to be able to monitor those delegations centrally.

29. UNOPS field offices are accountable to regional offices, which are in turn accountable to headquarters. UNOPS reported no issues with that arrangement. UNODC operates through a network of regional, country and project offices. While UNODC has improved its field-based financial systems over time, it still faces limitations in collating timely information from the field in an efficient and effective manner. The financial control environment of that entity is also limited by legacy systems that do not provide the centre with oversight of key compliance measures. Many of those deficiencies could be addressed by successful implementation of Umoja.

Enterprise risk management

30. Enterprise risk management is a systematic process through which risk and opportunities that affect an organization and its ability to achieve its objectives are identified, prioritized and managed.

31. For the operations of the United Nations as reported in volume I, the Board notes that the General Assembly had supported embedding enterprise risk management throughout the Organization. In 2014, there was good progress in some areas, in particular with regard to the management of the six critical risks identified by senior management. However, the operations of the United Nations as reported in volume I has made insufficient progress in embedding enterprise risk management throughout the Organization as a whole. The implementation is not being managed in accordance with the agreed project plan that sets out the overall

timetable, deliverables, key milestones, dependencies and indicators of success and resource requirements.

32. UNHCR has started a structured roll-out of enterprise risk management. In 2014, it issued the supporting administrative instructions and procedures for implementing enterprise risk management, which established the architecture, described roles and responsibilities, risk management processes and compliance requirements. UNHCR has initiated corporate and strategic risk registers to capture risk information from field operations and significant strategic risk areas for the entire organization. The first structured risk assessment was launched in 2014 and is expected to be complete in 2015. Periodic risk reviews have been integrated in the operations management cycle.

33. UNODC has documented its high-level risks and is making efforts to drive the process down to the operational level. It has established a risk focal point within the Office of the Executive Director to emphasize the importance of the process. Additional risk focal points have been appointed at the divisional level The focal points meet on a quarterly basis. Field offices have received risk training and other support to produce risk registers, which should enable better understanding of field office risks and their management, as well as validate the organizational risk registers. As at April 2015, UNODC was completing a pilot exercise in seven field offices to compile risk registers for their activities. It has also required each division to produce its own risk register, with training for all programme managers to be held in the last six months of 2015.

34. Progress in implementing enterprise risk management in other areas of the United Nations has been disappointing as the framework for doing so has not yet been formalized.

F. Implementing partners

35. Implementing partners are a critical part of the service delivery model of many United Nations system entities. They vary widely in terms of their size and role, ranging from host Governments to other United Nations entities, and from large-scale multinationals to smaller and/or local non-governmental organizations. The types of projects and programmes delivered by implementing partners also vary in size, duration and cost.

36. A core principle of accountability is that when management passes funds to another organization, regardless of the type of partner, it should operate an effective regime to ensure that the funds have been used for the purposes intended, the risk of fraud and error has been minimized and that funds have delivered the desired outcomes in a cost-effective manner. Effective governance needs to be objectively demonstrated to donors to provide confidence that funding is being used appropriately and to good effect.

Progress in establishing more consistent ways of working

37. A harmonized approach to cash transfers was introduced in 2005 by the then Executive Committee of the United Nations Development Group, which was composed of UNDP, UNFPA, UNICEF and WFP. In November 2012, the

Development Group received an unsatisfactory joint internal audit review,[4] which concluded that internal controls and governance arrangements had either not been established or were not functioning well.

38. In its previous summary report, the Board noted that the Development Group had started to revise the harmonized framework to increase effectiveness, consistency of application and reduce the burden on agencies and implementing partners. The new framework has been approved, and UNDP is in the process of embedding the new framework, with some country offices yet to adopt it, and variations in the level of compliance among those that had.

39. This year the Board saw further progress by other United Nations entities in how they had improved the consistency of selection, monitoring and close-out of projects delivered by implementing partners. For example, the Office for the Coordination of Humanitarian Affairs (under operations of the United Nations as reported in volume I), and UNODC have developed and are now embedding their own global guidelines to improve consistency across their respective global networks. For both entities, the guidelines are designed to ensure there is a risk-based approach to managing implementing partners, including the application of capacity assessments where appropriate.

Use of information

40. Good information is vital to management in making the right decision when approving a project and in selecting the partner to deliver it. In its previous summary report, the Board raised concerns that United Nations entities operating in the same regions, many using the same third parties, had no formal mechanism to share information on partner performance. In response to the Board's recommendations, the then Executive Committee of the United Nations Development Group and the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination had developed two task forces to consider the establishment of a formal requirement for sharing information on the performance of implementing partners. The Board will continue to review progress in that regard.

41. Implementing partners are essential for the delivery of the UNHCR programme, and implementing partner costs continue to be the main area of expenditure for UNHCR, increasing from some $1.068 billion in 2013 to $1.348 billion in 2014. The Board notes that management closely monitors implementing partner costs, but could do more to scrutinize and challenge implementing partner expenses to prevent the funding of any excess administrative costs. In addition to the management processes employed by UNHCR, a key control over spending by implementing partners is the annual audit certification process. In 2014, UNHCR implemented a new process for selecting external auditors by establishing partnership arrangements with audit firms that can undertake regional or global audit work. Those agreements have enabled UNHCR to establish greater consistency and quality over the outputs arising from those audits.

[4] The audit was conducted by the Office of Internal Audit and Investigations of UNICEF, with the Division for Oversight Services of UNFPA as lead auditor, and the Office of Audit and Investigations of UNDP.

G. Awareness of fraud

42. The Board assessed the awareness of fraud and of counter-fraud measures in 20 United Nations entities using data supplied by management (table 5). Eight entities were identified as needing clearer programmes to raise fraud awareness through training of their employees and key stakeholders.

43. Overall, the level of reported fraud and presumptive fraud in 2014 was lower than in 2013. For example, disclosures by UNDP, UNEP, UNHCR, UNODC, UNOPS and UNRWA show a reduced level of fraud and presumptive fraud. However, UNFPA, UNICEF and United Nations peacekeeping operations have shown significant increases in cases of fraud and presumptive fraud.

44. The level of fraud and presumptive fraud reported by the operations of the United Nations as reported in volume I has also decreased, but many departments and offices failed to report the details of fraud cases identified in 2014. Consequently, the Board can provide no assurance that the amounts reported and disclosed by management in Volume I are complete or accurate.

Table 5
Fraud events, awareness and prevention measures

Entity	Number of fraud and presumptive fraud cases		Has a policy on fraud	Has fraud awareness and training	Has reporting and monitoring mechanisms	Has resources allocated for anti-fraud measures and activities	Has investigative capacity and capability	Has mechanism for recovery of damages, losses and assets	Has an adequate strategy in place
	2014	2013							
United Nations (Vol. I)	2	18	Yes	No	Yes	Yes	Yes	Yes	No
United Nations peacekeeping operations	39	29	Yes	No	Yes	Yes	Yes	Yes	No
ITC	0	0	Yes	Yes	Yes	Yes	Yes	Yes	Yes
United Nations Capital Development Fund	0	0	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UNDP	7	22	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UNEP	0	3	No	No	Yes	No	Yes	Yes	No
UNFPA	9	2	Yes	Yes	Yes	No	Yes	Yes	Yes
UN-Habitat	1	1	No	No	Yes	No	Yes	Yes	No
UNICEF	32	20	Yes	Yes	Yes	No	Yes	Yes	Yes
UNITAR	0	0	Yes	No	Yes	No	Yes	No	No
UNHCR	11	16	Yes	Yes	Yes	Yes	Yes	Yes	No
United Nations Joint Staff Pension Fund	1	0	Yes	Yes	Yes	Yes	Yes	Yes	No
UNODC	1	6	Yes	No	Yes	No	Yes	Yes	No
UNOPS	6	9	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UNRWA	11	20	No	Yes	No	No	No	Yes	No
UNU	0	0	Yes	No	Yes	No	No	Yes	No
UN-Women	3	4	Yes	Yes	Yes	No	Yes	Yes	Yes
International Criminal Tribunal for Rwanda	0	0	No	Yes	Yes	No	Yes	No	No
International Criminal Tribunal for the Former Yugoslavia	0	0	Yes	Yes	Yes	Yes	Yes	Yes	No
International Residual Mechanism for Criminal Tribunals	0	0	Yes	Yes	Yes	Yes	Yes	Yes	No

Source: Board reports on the individual entities.

Anti-fraud policies and strategy

45. In the previous concise summary report, the Board noted that only UNOPS had established an integrated counter-fraud strategy that focused on all types of fraud (both internal and external). The assessment in 2014 showed that, although some 16 entities had developed policies, 13 entities did not have adequate strategies for implementation. For instance, UNRWA had not established reporting and monitoring mechanisms and had no policy on fraud, no resources allocated to anti-fraud measures and activities and no capability or capacity to investigate fraud. UN-Habitat had no policy on fraud, no fraud-awareness training and no resources allocated for anti-fraud measures and activities. The United Nations (Vol. 1) had neither fraud awareness training nor adequate strategies in place.

Fraud risk assessments

46. Fraud risk assessments are an invaluable resource for fraud examiners to use to identify and address the vulnerability of their clients or employers to internal fraud. Fraud examiners can use that resource to assist organizations in obtaining a better understanding of the overall fraud threat they face, identifying fraud risks and developing a fraud risk response.

47. Fraud risk is one component of operational risk. Operational risk focuses on the risks associated with errors or events in transaction processing or other business operations. A fraud risk review considers whether these errors or events could be the result of a deliberate act designed to benefit the perpetrator. As a result, fraud risk reviews should be detailed exercises conducted by teams combining in-depth knowledge of the business and market with detailed knowledge of and experience in dealing with fraud.

48. Detailed fraud risks need to be assessed for each business area and process, including, for example, cash payments, cash receipts, sales, purchasing, implementing partner expenditures, expenses, inventory, payroll, fixed assets and loans. This has to be aligned with and benchmarked against the existing system of internal control and the business environment of the entity.

49. The environment in which the United Nations operates is complex and high-risk. Dependency on third parties and the delivery of projects through implementing partners in remote and often unstable areas means that the United Nations is exposed to higher risks of fraud. Consequently, the United Nations needs to be alert to fraud risks and to establish a clear risk appetite to inform that assessment. It also needs to develop a more coherent and consistent approach to dealing with fraud by developing fraud response plans that set out the arrangements for dealing with detected or suspected cases of fraud.

50. The Board has noted the good progress within UNHCR in formulating a clear approach and process for developing fraud risk assessments. The assessments will be used to inform clear fraud mitigation plans and provide a focus for training and for the review of the internal control environment in the areas identified as high-risk. The plans have been developed in a systematic manner and have built upon the views of a cross-section of relevant staff throughout the organization.

51. UNDP, UNFPA, UNHCR, UNICEF, UNOPS and UN-Women have a global presence and are exposed to high risks of fraud through their work with third parties such as implementing partners and contractors. Therefore, these entities need to

consider their risk appetite and develop fraud response plans as formal means of clearly setting down the arrangements for dealing with detected or suspected cases of fraud, and to develop wide-ranging strategies and resources for fraud mitigation.

Fraud reporting

52. The Board noted varying definitions of fraud and presumptive fraud across the United Nations system. This variation arises from the different policies adopted by each entity and the ethical framework and reporting bureaucracy for dealing with fraud. In 2013, there were varying levels of disclosure among the entities; there was no correlation between the magnitude of the reported fraud cases vis-à-vis the volume of transactions or the degree of entity decentralization.

53. In 2014, the Board worked with United Nations entities to develop a consistent approach to reporting fraud, suggesting templates that would bridge the reporting gap. That goal was not achieved, however, owing to the lack of a definitive legal interpretation and the need for the entities to harmonize their fraud reporting policies. Therefore, the reported levels of fraud across the United Nations system are being measured inconsistently. The Board has also determined that, as a consequence of this and of the lack of fraud response plans, the levels of fraud are likely to be underreported. The Board will continue to work with United Nations organizations to ensure that there is a consistent approach to reporting. The Joint Inspection Unit has also indicated it will address this area.

54. All entities (except the International Criminal Tribunal for Rwanda) have mostly engaged their internal auditors to investigate cases of fraud. While some procedures for the sanction and deterrence of fraud have been put in place, the absence of fraud response plans mean that the approach is often inconsistent and not systematic.

H. Cost-effective management of core business services

55. Like all organizations, United Nations entities are seeking skilled and professional staff in a highly competitive environment. The continuous improvement of human resources management is, therefore, a necessity. The Board continues to highlight numerous and various deficiencies across entities in human resources management, asset management, procurement and contract management and ICT management. These are all important business functions that are vital to the cost-effective delivery of the core services.

Human resources management

56. Effective workforce management is critical to the ability of an organization to achieve its objectives. It ensures that the organization has the right number of staff with the right skills and in the right locations.

57. In 2013, the Board reported on the use of contractors by UNDP, UNFPA, UNICEF and UN-Women to perform core staff functions (e.g., operations support, administrative and financial assistance) or in roles intended for individuals having United Nations staff status. The Board also found that some staff had not received an annual appraisal, an issue that was also identified in United Nations peacekeeping operations. In 2014, the Board noted that:

- UNFPA had not established a global database for monitoring, controlling and reporting on field office special service agreements and service contracts and that it had long recruitment lead times for filling vacant posts, as recruitment processes took more than six months.
- UN-Women had not yet established an integrated computerized system for managing individuals working under special service agreements; hence the data was only available at the respective field offices and on Share Point, which did not provide real time information. The procedure at the time limited the visibility to headquarters of real-time information for monitoring and decision-making purposes.
- Some 16 per cent of ITC expenditures were on consultants and contractors, all of whom were vital to delivering trade-related technical assistance projects. While ITC had developed a database to manage its consultants, the Board indicated that there was additional scope for utilizing its benefits. The database could provide better information to enable a review of the use of individual contractors, focusing on those contractor duties that overlapped with those of regular staff, and to rationalize the use of contractors.
- Another theme relating to the use of contract services was the lack of formal evaluation of the work performed by contractors and the absence of documentation for capturing the findings of evaluations when they did occur, among other deviations from administrative instructions on the hiring of consultants. In one example pertaining to UNU, the Board found that, as a result of a lack of relevant documentation, a consultant was awarded subsequent assignments despite the specific recommendation to the contrary made in the evaluation conducted under an earlier contract. Deviations were also observed in the United Nations Capital Development Fund, UNDP and UNICEF. The Board continued to emphasize the need for strict adherence to administrative instructions on the hiring of consultants.

Workforce planning

58. Workforce planning provides management with a way to align resources with the business plan, anticipate change and address current and future workforce issues. In 2013, the Board reported that the operations of the United Nations as reported in volume I did not engage in workforce planning and recommended that the administration develop a medium to long-term workforce strategy and operational workforce plans. The General Assembly, in its resolution 68/252, also urged the Secretary-General to develop a workforce planning system as a matter of priority.

59. In 2014, the Board found that workforce planning remained in its infancy, as the Office of Human Resource Managements had prioritized the implementation of Umoja and the new mobility policy. The Office did not have the appropriate policies, people, processes and information systems in place to effectively perform any scenario analysis of the composition and financial costs of the workforce, and was, therefore, not well-placed to advise the Administration on any future resource model to support important management reforms, such as the new global service delivery models, or on staffing changes required to maximize benefits from Umoja.

60. The Board also examined strategic workforce planning by UNHCR, UNODC and UNOPS. It found that all three entities needed better information, for example with regard to skills, as well as longer-term planning to ensure that they could respond to future business and stakeholder needs. UNHCR and UNOPS have taken steps to give their human resources function a more strategic role and are trying to strengthen their workforce planning. As part of this effort, there are lessons to be learned from the staff mobility framework process, both by UNHCR, which has the framework in place, and by UNODC, which will be implementing such a framework in future.

Asset management

61. The Board continues to observe problems related to asset management, including, for example, uncertainty over asset and inventory valuations and high levels of unused assets. While some progress has been made with respect to the type of information being used to improve operational performance, there is a continuing need for enhancement of asset management skills.

62. The Board noted that UNDP had recorded approximately $80 million in assets that had fully depreciated and had either been retired from use or disposed of. With regard to UNICEF, the Board found that $3.34 million of expired stock was being held in warehouses, and that there remained scope for improvement of inventory management in terms of closer monitoring of stock levels, monitoring of goods nearing life expiry and effective investigation of items depicted as being in transit for unduly long periods of time. With regard to UNU, although its Maastricht Economic and Social Research and Training Centre on Innovation and Technology had purchased books and study materials in 2012 and 2013 totalling $111,679, no physical verification of the availability of the books was conducted between 2012 and 2014.

63. The Board also noted deficiencies in asset management in United Nations peacekeeping operations. For example, the total value of items not located during physical verifications of audited peacekeeping missions was $3.17 million. There were also deficiencies in the utilization of stock; the Board identified $55.23 million of aging stock that was not being utilized. In addition, at 11 missions, there were assets worth $12.2 million that were pending write-off. Such prolonged storage and non-usage of assets not only resulted in the blocking of funds that could have been put to better use elsewhere, but also allowed the quality of the property to deteriorate.

64. Notwithstanding the use of transitional provisions by some entities to introduce property, plant and equipment accounting, IPSAS has been used to significantly improve the quality of information pertaining to property, plant and equipment assets, thereby creating improved stewardship and control. It has also resulted in better management of those assets. In UNODC and UNOPS, management has undertaken significant work over the last few years to cleanse asset records and provide better oversight for the use of those assets.

65. UNHCR has been refining its approach to stock accounting and control since its implementation of IPSAS in 2012. Analysis of results from visits to UNHCR warehouses has identified improvements to the quality of inventory system data and the management of items within warehouses. Board analysis has shown that, even as closing inventory values have risen year-on-year in line with the increase in

UNHCR activities, Board analysis has shown that the level of obsolete inventory has decreased significantly, indicating better redeployment of unused stock, which, in turn, reduces holding costs. Management needs to continue to review and investigate inventory variances, as the levels of some inventory holdings remain high, and there is scope for improvement by articulating target levels of inventory against which holdings can be assessed.

Procurement and contract management

66. Procurement is the process of awarding contracts and managing vendors to deliver goods and services in line with business requirements. It plays a critical role in enabling organizations to achieve their objectives. Good procurement can bring improvements in the quantity and quality of goods and services, allow for better management of risk and avoidance of service failures and generate financial savings.

67. Long periods of retendering by UNRWA has led to delays in the procurement process that have resulted in increased costs. In United Nations peacekeeping operations, the Board observed delays at various stages of the acquisition process. Prolonged delays in the procurement of necessary supplies and equipment may compromise the ability of missions to carry out their functions efficiently and in a timely manner and cause them to incur avoidable costs. For example, in two cases, the failure to have new aircraft contracts in place by the time of expiry of the existing contracts resulted in contract extensions at an avoidable cost of $3.46 million.

68. The Board identified instances of weak management of contractors. Noting that most UNICEF procurement is carried out through complex agreements, the Board found six long-term agreements that did not include provisions for performance security, which could have an adverse impact on UNICEF in terms of timely delivery, costs and the provision of the required services and relief. UNICEF has experienced delays in the delivery of goods and services across regional and country offices. For example, under the Global Alliance for Vaccines and Immunization, although 47 per cent of delivery lines were delayed, the entity only imposed liquidated damages in 0.36 per cent of cases.

69. In the case of the United Nations Capital Development Fund, some offices had not prepared requisition plans for 2014, which inhibited oversight by senior management of procurement needs and limited economies of scale.

70. The operations of the United Nations as reported in volume I Procurement Division has continued to take steps to strengthen the training available to procurement staff. Some departments require staff with contract management responsibilities to complete an online training course detailing roles and responsibilities. For example, the Department of Field Support, has trained over 600 staff members since August 2014. The Administration has also introduced a three-phase training programme that offers the possibility of obtaining an internationally accredited procurement certificate.

Information and communications technology

71. The role of technology in the United Nations has become progressively more critical owing to increasing global reliance on digital advances. The Board

continues to identify deficiencies in the control environment surrounding ICT, including:

- *Weaknesses in security*. In UNOPS, the Board determined that there was no cybersecurity strategy or framework, no response plan and that password access controls were not sufficiently strong. United Nations entities should do more to ensure that their strategies and controls are sufficient to identify and respond to cyber threats. In UNRWA, there was no mobile computing security policy or guideline. In some peacekeeping operations, there were no established procedures to address cyber threats. The absence of such procedures or policies has the potential to disrupt centralized information technology-enabled operations, the restoration of which could be both time consuming and expensive. In United Nations peacekeeping operations, there were no cyber emergency response procedures or designated teams to effectively assess, respond to or mitigate breaches of cybersecurity.
- *Unreliable information systems affecting decision-making*. In UNICEF, there were issues of data inconsistency and reliability between areas of its performance management reporting system and the source systems. In UNEP, there were concerns over the financial data generated from its programme information management system. In UNFPA, non-configuration of the e-service application to accommodate changes and cleanse the data in the system resulted in incorrect and unreliable data being generated from the system, and an absence of control over the recording of leave posed a risk of misstatement of the leave liability balance. In United Nations peacekeeping operations, there were wide variations between allocations and expenditures.
- *Inadequacies of disaster recovery approaches, risking data loss*. In UNRWA, the existing disaster recovery plan did not cover enterprise ICT systems. UN-Women had not tested its disaster recovery plan and could not verify the completeness or reflect actual preparedness to respond to an emergency. In United Nations peacekeeping operations, the Board observed delays in the formulation of business continuity plans, which made the missions vulnerable to a loss of business from external and internal threats. Also, disaster recovery programs were not periodically updated, nor were there awareness and training programs to increase the level of understanding and awareness among the staff. At the International Criminal Tribunal for Rwanda, the disaster recovery test procedures had not been updated to reflect the status of the technology or of individual staff.
- *Inappropriate information technology strategy*. In the United Nations Joint Staff Pension Fund, the Board noted delays in the implementation of an information technology project and additional costs of at least $3.28 million as at May 2015. In United Nations peacekeeping operations, the Board found that there was no formal policy in place for the assessment of ICT staffing requirements, which posed the risk of less-than-optimal provision of services and operational capabilities to missions and other field units.

Travel management

72. On 7 August 2014, the Advisory Committee on Administrative and Budgetary Questions requested the Board to conduct a comprehensive audit of official travel financed from peacekeeping budgets. Given the importance of optimizing travel

expenditure, the Board extended the scrutiny to other United Nations entities to determine whether there was a cost-effective approach to the booking of tickets, whether sufficient arrangements were in place to maximize the usage of teleconferencing and videoconferencing to save on travel costs and whether the resource requirements for official travel were well justified.

73. The Board noted a positive change at UNEP, UNFPA, UN-Habitat and UNRWA in 2014, as no significant issues were found in relation to travel management. These entities have increased the use of videoconferencing and teleconferencing to minimize travel costs. However, at UNU, in 9 out of 24 cases (38 per cent), the invoice or issuance of e-tickets was made 10 days or less prior to the commencement of travel. Total travel expenses amounted to $5.2 million and constituted about 7 per cent of total expenses for the year ended 2014. Owing to the purchase of air-tickets close to the date of travel, UNU may have forgone potential cost savings. While the Board noted the steps taken by UNU management to control travel costs through its new travel policy, the organization could also consider increasing the specificity of its travel policy by stipulating the number of days in advance that tickets should normally be purchased, along the lines of the advance purchase policy framed by the United Nations Secretariat (ST/AI/2013/3). Also, the policy should specify the approvals required to deviate from the policy in cases of emergency travel or where adherence to the advance purchase policy may not be practical or possible.

74. In United Nations peacekeeping operations, the Board noted that official travel expenditure exceeded the budget approved for it by 25 per cent. Also, there was an increase in expenditure on official travel from $46.42 million in 2011/12 to $65.55 million in 2013/14. Further, the Board found non-compliance with the administrative instructions on the advance purchase policy, which requires that advance booking and purchasing of tickets be finalized 16 calendar days prior to the commencement of official travel. For instance, in a sample of 75 travel requests at Headquarters, travel had been approved less than 16 days prior to the date of departure in 40 cases; no justification was provided by the certifying officer in 4 out of the 40 cases.

75. In January 2015, the Advisory Committee requested that the Board expand its coverage of official travel in United Nations peacekeeping operations to include special political missions. There is inadequate financial and other information on the nature and cost of official travel with respect to special political missions. Inadequate management information systems hinder the administration's ability to monitor and control travel costs effectively. As was the case in United Nations peacekeeping operations, there was widespread non-compliance with the requirement to observe the 16-day advance purchase policy. Most travel cases examined by the Board did not comply with that policy, although along certain routes, this resulted in the purchase of a lower-priced ticket.

76. The Board is of the view that there is a continuing need for the review of the actual requirements for official travel, and entities should take steps to strengthen budget planning for official travel to ensure optimum allocation and utilization of resources. Effective steps are needed to enforce and monitor compliance with the advance purchase policy and, where possible, the use of teleconferencing and videoconferencing by staff and management.

I. Budget implementation

77. The goal of budget implementation is to assure stakeholders that funds are used legally and efficiently, as directed by the relevant authorities, to provide effective public services to the beneficiaries. Senior management, managers and other staff with supervisory roles must develop the required skills, techniques and tools necessary to enable them to implement, manage, monitor and control their budgets effectively. Moreover, identification of budget variances should be an ongoing process, as intervention measures must be applied from the initial stages of the budget implementation period. Managers and other staff entrusted with successful implementation of a budget for their functional areas or for overall budgets must be equipped with those skills if the organization is to achieve its annual plans.

78. Strategic, budget and financial plans should be updated as needed with lessons learned from related monitoring activities, thereby making them living documents. Therefore, budgets often need to be adjusted during the year. Some entities have some delegated authority to adjust budgets on their own. They have differing limits on the transfer of funds between line items during the year. Transfers exceeding the approved entity's authority require approval by higher authorities, for instance an executive board or the Advisory Committee on Administrative and Budgetary Questions. This kind of flexibility is intended to give administrations some latitude to make quick decisions to ensure they can achieve their annual budget milestones and objectives. However, seeking approval from higher authorities for major changes to the budget takes longer and, therefore, forward-planning, including by holding some resources that can be spent more freely, is an essential tool for mitigating risks associated with potential delays.

79. In 2014, the Board reviewed budget implementation across several entities and noted examples in which some organizations reported low levels of budget consumption and other budgetary deficiencies, including:

- UNEP underutilized its budget by 50 per cent due to the inadequate capacity of its implementing partners and delays in releasing funds to its regional office for Asia and the Pacific.
- UN-Habitat underutilized its project budgets by 5 to 67 per cent of the allotted funds for the year 2014 and attributed the shortfall to political instability in Iraq, Sri Lanka and the State of Palestine, as well as the long procedures and processes involved in the recruitment of experts required for projects in Egypt.
- Although UNRWA had implemented austerity measures to ensure budget stability, it reported a shortfall of 4.2 per cent[5] in the General Fund budget. UNRWA had not developed a clear mechanism to track and quantify the net savings from those measures and to evaluate its budget effectiveness.
- For the operations of the United Nations as reported in volume I, the Office of Human Resources Management was not involved in the creation, continuation, re-classification or abolition of posts as part of the budget process, and did not

[5] A General Fund deficit of $30.38 million against total General Fund budget of $729.3 million in 2014.

have a role in post-budget monitoring and analysis of workforce trends and profiles.

- In United Nations peacekeeping operations, the overall variations between budgetary appropriations and final expenditures under the three broad groups of military and police personnel, civilian personnel and operational costs, for all 15 missions taken together, ranged between 3 and 6 per cent, with the highest variation (29 per cent) occurring under operational expenses for one mission. Also the Board noted significant variations in the budget line items of various missions. For example, for the United Nations Interim Security Force for Abyei, 49 of 104 object codes (47 per cent) had a variance of more than 50 per cent. As for UNAMID, actual expenditure against budget line items under operational costs varied up to 676 per cent (for consultants) for 2013/14. Within line items, the variation went up to 5,555 per cent (for maintenance and repair of information technology equipment) for object codes. For eight object codes, an expenditure of $9.1 million had been incurred in the absence of a budget for those object codes. For 15 object codes, the entire budgeted amount remained unspent, and there had been significant savings in each of the past three financial years. All variances emanated from the regular expenditures of the Mission, indicating deficiencies in the budgetary planning and projection process.

- Redeployments of expenses among and within different classes were carried out as a matter of routine, taking into account only the availability of the budget under the line items, without evaluating whether the withdrawal of funds from the particular line item would adversely affect the achievement of the annual plan and deliverables committed to under that budget line at the beginning of the year. At the same time, one unit was allowed to use the budget of another unit even though such a requirement had not been anticipated within the original plan. This laxity of control in redeployments facilitated a loss of budgetary discipline and reduced the importance of the budget as a mechanism to control expenditure.

- Some problems with budget implementation, including, for example, lack of realism, inadequate monitoring and lack of forward planning, may reflect deficiencies in formulating estimates. Emergent external factors may similarly stall the pace of budget implementation. For instance, in United Nations peacekeeping operations, unrealistic assumptions were used for budget projections, which resulted in an overestimation of fuel consumption, rations estimates, the aviation budget and freight charges. The overestimations resulted in large-scale underspending; for example, in 2014, the underspending on transport service air landing fees and handling charges reached 34 per cent, and expenditure on oil and lubricants fell short of its budget by 45 per cent.

80. In view of the deficiencies, the entities were advised to review the identified weaknesses in budget formulation and to develop improved principles and methodologies to assist them in formulating realistic, consistent and reliable budgets, as well as to develop the required skills, techniques and tools necessary for more effective implementation, management, monitoring and control of their budgets.

J. Business transformation

81. United Nations organizations face the significant challenge of delivering expanding mandates in times of fiscal constraint. To ensure that resources get to those who need them most, it is essential that they are not locked into administrative overhead, entrenched ways of working or inflexible structures. While financial pressures are important drivers, the need to better use public money is a worthwhile and ethical aim in itself.

82. The Board has reported on a number of major transformation initiatives in several United Nations organizations. A notable example is UNDP, which is undertaking a challenging and ambitious organization-wide change programme to better align resources to the delivery of its strategic objectives. The goal of management is to strengthen the organization's regional presence, consolidate policy functions, rationalize management support functions and improve the ratio of staff to management. The Board has identified opportunities to improve the execution of the change programme, for example by developing benefits realization plans and enhancing the approach to staff engagement within the change process. Efforts by management to reform policies, organizational structures and processes demonstrate its strong commitment to improving the operating model of the organization.

83. The operations of the United Nations as reported in volume I are attempting to implement a number of concurrent major transformation projects, including Umoja,[6] IPSAS, human resources reform and enterprise risk management. These projects are significant undertakings, and there are signs that the cumulative burden is placing a very heavy demand on key staff. In response, the Board has recommended that the United Nations take steps to improve the coordination of these projects.

84. The United Nations also undertook estate-related projects such as the capital master plan.[7] In 2014, the Board published a short paper on lessons from the United Nations capital master plan to highlight lessons to be considered in the planning and delivering of future major capital projects.

85. The Board has continued to highlight the need for the United Nations (Vol. 1) to develop a target operating model to help define what work will be delivered at which staff in which locations. While noting management's plans to present a global service delivery model for administrative functions during the seventieth session of the General Assembly, the Board is of the view that any subsequent phase of the global service delivery model should consider wider aspects of United Nations operations so as to ensure effective support to programmes.

86. If the operations of the United Nations as reported in volume I is to effectively deliver on the reforms upon which it has embarked, it needs to ensure it has the requisite skills and experience in organizational business change. The Board continues to question whether that is the case and has reiterated its recommendations that the United Nations both assesses its capability to manage change at the organizational level and established a formal approach to managing

[6] The Board of Auditors produces a separate annual progress report on Umoja.

[7] The Board of Auditors produces a separate annual progress report on the capital master plan and will commence reporting on the strategic heritage plan during the seventieth session of the General Assembly.

and improving operations to enable continuous reform and improvement in departments.

87. The Board noted that, in United Nations peacekeeping operations, while the global field support strategy had achieved considerable progress in its aim to improve the quality and speed of support that the Department of Field Support provides to peacekeeping missions, the achievement of the end-state vision and key performance indicators by the end of the strategy's implementation period in June 2015 was at risk.

88. The Board noted, for example, that although a succession management plan had been developed, none of the original timeline goals relating to the human resources pillar had been achieved; there were substantial delays in planning and implementing reforms in supply chain management; the modularization strategic plan had yet to be signed-off upon; all the milestones to be achieved under the revised plan for enabling capacity projects were still at the initial stages; there was limited clarity on when activities related to global field support strategy mainstreaming and forward planning would occur; and weaknesses in progress reporting had deprived management of the opportunity to identify slippages and make necessary mid-course corrections. Hence, progress in the implementation of the global field support strategy needs to be escalated, with a revised and realistic implementation plan, together with a clear benefits realization plan that should be regularly reviewed by management.

89. The Board reports on information technology-enabled business change projects to improve administrative processes at UNHCR, the United Nations Joint Staff Pension Fund, UNOPS, UNRWA and the United Nations itself (i.e., Umoja).[8] While the projects differ in terms of scale, complexity and the stage in the project life cycle, there are some commonalities, including delays and budget overruns (at the United Nations Joint Staff Pension Fund, UNOPS and for Umoja) and problems putting in place post-implementation support such as help-desks (at UNRWA and for Umoja).

Lessons for United Nations management

90. The Board continues to see the need, at the outset of major transformations, to clearly define what the reforms are intended to achieve, and then to measure that achievement by demonstrating to stakeholders the qualitative and quantitative benefits.

III. Status of implementation of previous recommendations

91. As part of each audit, where the Board observes weaknesses, it considers root causes and the possible impact, and then makes recommendations to address the roots causes. The Board routinely follows up on recommendations made in its previous reports to ensure that the respective organization has taken actions to implement recommendations or, when appropriate, can justify why certain recommendations have not been implemented or have not been accepted.

[8] The United Nations enterprise resource planning system (Umoja) is being deployed in over 90 organizations, including the United Nations Secretariat and United Nations peacekeeping operations.

92. For the period under review, the Board has summarized in an annex to each report the status of the relevant organization's implementation of the Board's recommendations for the financial period ended 31 December 2013. A table summarizing the status of implementation of the recommendations by all organizations is contained in annex III to the present report.

93. Of the total of 526 recommendations made up to the year 2013 (up to June 2014 for United Nations peacekeeping operations), 261 recommendations (49.6 per cent) had been fully implemented. This represents a decrease in the rate of implementation compared with the previous biennium, for which 56 per cent of past recommendations had been fully implemented. For the rest of the recommendations:

- 206 recommendations (39.2 per cent) were under implementation
- 29 recommendations (5.5 per cent) had not been implemented
- 23 recommendations (4.4 per cent) had been overtaken by events
- 2 recommendations (0.4 percent) had been reiterated
- 5 recommendations (1 per cent) had been closed by the Board

94. While the Board welcomes the progress made in the implementation of its previous recommendations, it emphasizes the need to address the unimplemented recommendations. The specific reasons for which recommendations had not been fully implemented by the early to middle part of financial year 2014 were provided separately in the Board's report on each organization.

95. The Board's recommendations cover a wide variety of topics across many organizations, and the rates of implementation vary at the organizational level. Given the range of topics covered, the Board could not discern any meaningful patterns or trends that would merit comment with regard to the recommendations that had not been implemented.

96. The Board would like to highlight, however, the following critical lessons learned by the Administration in the implementation of recommendations:

- The need for the Administration to establish a dedicated follow-up mechanism or function by allocating specific responsibility for the implementation of all recommendations to the relevant divisions, holding them to account for doing so within a predetermined time frame.
- The need for management to take greater ownership of implementing recommendations to effectively address the root causes of the problems identified by the Board.

IV. Acknowledgement

97. The Board wishes to express its appreciation for the cooperation and assistance extended to it and its staff by the United Nations Secretariat and the funds and programmes.

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General
of the United Republic of Tanzania
Chair of the Board of Auditors

(*Signed*) Sir Amyas C. E. **Morse**
Comptroller and Auditor General of the
United Kingdom of Great Britain and Northern Ireland

(*Signed*) Shashi Kant **Sharma**
Comptroller and Auditor-General of India

Annex I

Organizations or topics audited

Organization	*Lead auditor*
United Nations (Vol. I)	United Kingdom
United Nations peacekeeping operations	India
International Trade Centre	United Kingdom
United Nations Capital Development Fund	United Republic of Tanzania
United Nations Development Programme	United Republic of Tanzania
United Nations Environment Programme	United Republic of Tanzania
United Nations Population Fund	United Republic of Tanzania
United Nations Human Settlements Programme	United Republic of Tanzania
United Nations Children's Fund	India
United Nations Institute for Training and Research	India
Office of the United Nations High Commissioner for Refugees	United Kingdom
United Nations Joint Staff Pension Fund	India
United Nations Office on Drugs and Crime	United Kingdom
United Nations Office for Project Services	United Kingdom
United Nations Relief and Works Agency for Palestine Refugees in the Near East	United Republic of Tanzania
United Nations University	India
United Nations Entity for Gender Equality and the Empowerment of Women	United Republic of Tanzania
International Criminal Tribunal for Rwanda	United Republic of Tanzania
International Criminal Tribunal for the Former Yugoslavia	United Republic of Tanzania
International Residual Mechanism for Criminal Tribunals	United Republic of Tanzania

Annex II

Explanation of types of audit opinions

	Modified		
Unmodified Unqualified	*Qualified*	*Adverse*	*Disclaimer*
An unmodified opinion implies that the financial statements of the auditee were prepared, in all material respects, in accordance with the applicable financial reporting framework, i.e., the International Public Sector Accounting Standards, which have been adopted by the United Nations and its funds and programmes.	A qualified opinion implies that the auditor, who, having obtained sufficient and appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements, or that the auditor is unable to obtain sufficient appropriate audit evidence on which to base an opinion on specific areas, but concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive. Therefore an auditor expresses an opinion on the fair presentation of financial statements, but with an exception only for the area for which he/she did not get sufficient audit evidence.	An adverse opinion implies that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements, based on sufficient appropriate audit evidence.	A disclaimer of opinion is issued when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, normally due to scope limitation, and concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive. A disclaimer of opinion shall also be issued when, in extremely rare circumstances involving multiple uncertainties, the auditor concludes that, notwithstanding his or her having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it is not possible to form an opinion on the financial statements owing to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.

Note: "**Emphasis of matter**" is to draw users' attention to a matter presented or disclosed in the financial report that, in the auditor's judgement, is of such importance that it is fundamental to users' understanding of the financial report. "**Other matters**" is to draw attention to any other matter that is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report.

Annex III

Status of implementation of the recommendations of the Board of Auditors for the year 2013 as at 30 March 2015

Organization	*Number of recommendations*	*Fully implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*	*Reiterated*	*Closed by the Board*
United Nations (Vol. I)	47	5	19	18	0	–	5
United Nations peacekeeping operations	49	25	17	–	7	–	–
International Trade Centre	14	3	10	–	1	–	–
United Nations Capital Development Fund	11	6	4	1	–	–	–
United Nations Development Programme	81	74	7	–	–	–	–
United Nations Environment Programme	15	8	6	–	1	–	–
United Nations Population Fund	22	12	10	–	–	–	–
United Nations Human Settlements Programme	15	11	3	1	–	–	–
United Nations Children's Fund	24	10	11	1	2	–	–
United Nations Institute for Training and Research	10	3	5	2	–	–	–
Office of the United Nations High Commissioner for Refugees	40	27	12	1	–	–	–
United Nations Joint Staff Pension Fund	12	9	3	–	–	–	–
United Nations Office on Drugs and Crime	35	15	13	–	7	–	–
United Nations Office for Project Services	32	10	18	4	–	–	–
United Nations Relief and Works Agency for Palestine Refugees in the Near East	60	2	50	1	5	2	–
United Nations University	11	5	6	–	–	–	–
United Nations Entity for Gender Equality and the Empowerment of Women	34	27	7	–	–	–	–
International Criminal Tribunal for Rwanda	7	3	4	–	–	–	–

Organization	*Number of recommendations*	*Fully implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*	*Reiterated*	*Closed by the Board*
International Criminal Tribunal for the Former Yugoslavia	7	6	1	–	–	–	–
International Residual Mechanism for Criminal Tribunals	–	–	–	–	–	–	–
Total	**526**	**261**	**206**	**29**	**23**	**2**	**5**
Percentage	**100**	**49.6**	**39.2**	**5.5**	**4.4**	**0.4**	**1.0**
Total (2013)	**467**	**263**	**188**	**10**	**6**	–	–
Percentage (2013)	**100**	**56**	**40**	**2**	**1**	–	–

Source: Board reports for 2014.

Note: United Nations peacekeeping operations have an annual financial cycle ending 30 June; therefore, the figures reported are for recommendations made up to 30 June 2014.

United Nations A/70/322/Corr.1

General Assembly

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Seventieth session
Item 131 of the provisional agenda*
Financial reports and audited financial statements, and reports of the Board of Auditors

Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2014

Note by the Secretary-General

Corrigendum

1. Paragraph 62

For $80 million *read* $0.80 million.

2. Table 2

Replace table 2 with the table below.

Table 2
Ratio analysis as at 31 December 2014

	Current ratio[a] *Current assets: current liabilities*		*Total assets: total liabilities*[b]		*Cash ratio*[c] *Cash + short-term investments: current liabilities*		*Quick ratio*[d] *Cash + short-term investments + accounts receivable: current liabilities*	
Entity	*2014*	*2013*	*2014*	*2013*	*2014*	*2013*	*2014*	*2013*
UNICEF	2.79	3.18	2.04	2.05	1.33	1.73	2.01	2.53
UNRWA	3.03	2.41	1.48	1.35	1.83	1.57	2.52	2.14
UNFPA	2.5	4.6	2.3	2.9	1.7	2.9	2.1	4.2
UN-Women	12.6	8.9	5.2	4.7	9.9	7.2	10.3	7.6
UNDP	3.62	4.42	2.81	3.37	3.12	3.86	3.34	4.09
UNHCR	6.87	8.7	2.28	3.2	3.1	3.5	5.7	7.3
UNOPS	0.63	0.73	1.07	1.08	0.57	0.67	0.61	0.78

* A/70/150.

15-15661 (E) 160915

Please recycle

Entity	*Current ratio*[a] *Current assets: current liabilities*		*Total assets: total liabilities*[b]		*Cash ratio*[c] *Cash + short-term investments: current liabilities*		*Quick ratio*[d] *Cash + short-term investments + accounts receivable: current liabilities*	
	2014	*2013*	*2014*	*2013*	*2014*	*2013*	*2014*	*2013*
United Nations Capital Development Fund	22.5	30.2	7.6	6.9	17.3	24.1	22.0	28.5
United Nations Vol. I	2.73	–	1.29	–	1.5	–	3.36	–
United Nations peacekeeping operations	0.97	–	1.25	–	0.51	–	0.80	–
ITC	2.84	–	1.14	–	1.26	–	2.77	–
International Residual Mechanism for Criminal Tribunals	4.0	–	2.6	–	3.5	–	3.9	–
UNEP	4.84	–	3.79	–	1.61	–	3.72	–
UN-Habitat	4.72	–	3.89	–	0.42	–	3.94	–
UNITAR	4.98	–	2.15	–	2.95	–	4.58	–
UNODC	3.1	–	2.41	–	1.62	–	3.22	–
UNU	7.63	–	5.87	–	7.31	–	7.59	–
International Criminal Tribunal for Rwanda	2.34	–	0.72	–	1.45	–	2.3	–
International Criminal Tribunal for the Former Yugoslavia	5.3	–	1.1	–	3.3	–	5.2	–

Source: Board analysis of financial statements.

Note: All entities without 2013 comparative figures adopted IPSAS in 2014.

[a] A high ratio indicates an entity's ability to pay off its short-term liabilities.

[b] A high ratio is a good indicator of solvency.

[c] The cash ratio is an indicator of an entity's liquidity that measures the amount of cash, cash equivalents and invested funds there are in current assets to cover current liabilities.

[d] The quick ratio is more conservative than the current ratio because it excludes inventory and other current assets that are more difficult to turn into cash. A higher ratio means a more liquid current position.

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Agenda item 131
Financial reports and audited financial statements, and reports of the Board of Auditors

Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2014

Note by the Secretary-General

Corrigendum

Table 2

Replace table 2 with the table below.

Table 2
Ratio analysis as at 31 December 2014

	Current ratio[a] *Current assets: current liabilities*		*Total assets: total liabilities*[b]		*Cash ratio*[c] *Cash + short-term investments: current liabilities*		*Quick ratio*[d] *Cash + short-term investments + accounts receivable: current liabilities*	
Entity	*2014*	*2013*	*2014*	*2013*	*2014*	*2013*	*2014*	*2013*
UNICEF	2.79	3.18	2.04	2.05	1.33	1.73	2.01	2.53
UNRWA	3.03	2.41	1.48	1.35	1.83	1.57	2.52	2.14
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UNOPS	0.63	0.73	1.07	1.08	0.57	0.67	0.61	0.78
United Nations Capital Development Fund	22.5	30.2	7.6	6.9	17.3	24.1	22.0	28.5
United Nations Vol. I	2.73	–	1.29	–	1.5	–	2.36	–
United Nations peacekeeping operations	0.97	–	1.25	–	0.51	–	0.80	–

15-16405 (E) 290915

Please recycle

Entity	*Current ratio*[a] *Current assets: current liabilities*		*Total assets: total liabilities*[b]		*Cash ratio*[c] *Cash + short-term investments: current liabilities*		*Quick ratio*[d] *Cash + short-term investments + accounts receivable: current liabilities*	
	2014	*2013*	*2014*	*2013*	*2014*	*2013*	*2014*	*2013*
ITC	2.84	–	1.14	–	1.26	–	2.77	–
International Residual Mechanism for Criminal Tribunals	4.0	–	2.6	–	3.5	–	3.9	–
UNEP	4.84	–	3.79	–	1.61	–	3.72	–
UN-Habitat	4.72	–	3.89	–	1.57	–	3.94	–
UNITAR	4.98	–	2.15	–	2.95	–	4.58	–
UNODC	3.1	–	2.41	–	1.62	–	2.95	–
UNU	7.63	–	5.87	–	7.31	–	7.59	–
International Criminal Tribunal for Rwanda	2.34	–	0.72	–	1.45	–	2.3	–
International Criminal Tribunal for the Former Yugoslavia	5.3	–	1.1	–	3.3	–	5.2	–

Source: Board analysis of financial statements.

Note: All entities without 2013 comparative figures adopted IPSAS in 2014.

[a] A high ratio indicates an entity's ability to pay off its short-term liabilities.

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[d] The quick ratio is more conservative than the current ratio because it excludes inventory and other current assets that are more difficult to turn into cash. A higher ratio means a more liquid current position.